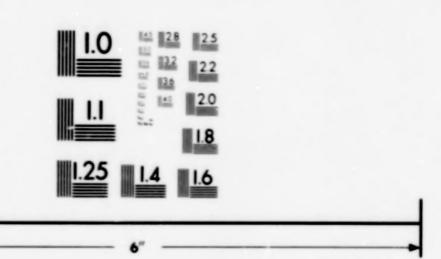
IMAGE EVALUATION TEST TARGET (MT-3)





STATE OF THE STATE

Photographic Sciences Corporation

23 WEST MAIN STREET WEBSTER, N.Y. 14580 (716) 872-4503 OIL STATE OF THE S

FBIS

DAILY REPORT

CONTENTS

Meets Nigerian President

China

I 2

Vol I No 007 12 January 1987 PRC INTERNATIONAL AFFAIRS GENERAL Paper Criticizes Kabul Cease-Fire Proposal A 1 [RENMIN RIBAO OVERSEAS EDITION 10 Jan] Shevardnadze Kabul Visit, USSR Withdrawal Viewed RENMIN RIBAO Views U.S.-Soviet Relations in 1987 E A [3 Jan] SOVIET UNION Ryzhkov's Visit, USSR-Finnish Ties Viewed C 2 XINHUA Notes Activities of Soviet Leaders NORTHEAST ASIA DI DPRK Proposal Letter to South Reported D 2 Commentary on Proposal [RENMIN RIBAO OVERSEAS EDITION 11 Jan] D 3 PRC Supports Proposal D 3 LDP's Takeshita Leaves for PRC To Meet Leaders D 4 Discussion With Wu Xueqian On Taiwan, Unrest [KYODO] D 5 Consular Treaty With MPR Ratified in Beijing D 6 SOUTH ASIA F 1 Yang Dezhi, Xu Xin Arrive in Bangladesh F 1 Sees Ershad Delegation Leaves MIDDLE EAST & AFRICA Officials Meet African Students; Condemn Letter 1 2 PLA Delegation Meets Nigerian Officials Talks With Army Chief 1 2

PRC NATIONAL AFFAIRS

Further on Huang Kecheng Memorial, Hu Nonattendance	K 1 K 2 K 3 K 3 K 4
Attendees Listed	K 1
TV Shows Service	K 2
Hu Yaobang 'Worn Out' [AFP]	K 3
Hu Replacement Questioned [KYODO]	K 3
Timing of Absence Problematic [AFP]	K 4
No Comment on Replacement	K 5
[Belgrade TANJUG]	
Deng Xiaoping Orders Crackdown in Document No I [SOUTH CHINA MORNING POST 12 Jan]	K 6
Document Stresses No Liberalization [WEN WEI PO 10 Jan]	K 8
More on Party Expulsions Following Demonstrations [AFP]	K 8
Further Expulsions Expected [SOUTH CHINA MORNING POST 10 Jan]	K 9
New University President Named	K 11
Cheng Junsheng Writes on Upholding Four Principles	K 12
RENMIN RIBAO Commentator on 'Total Westernization' [OVERSEAS EDITION 12 Jan]	K 20
Workers Must View 'Liberalization' as Enemy of CPC [GONGREN RIBAO 10 Jan]	K 21
Education Paper Blames Liberals for Unrest [ZHONGGUO JIAOYU BAO 10 Jan]	K 22
Gu Mu Stresses Continuation of 'Opening Up' Policy	K 23
Fujian, Sichuan Authorities Smash KMT Spy Ring	K 23
CPC Organization Department Meets on Cadre Selection	K 24
State Council Appoints, Removes Officials	K 25
'Spark Plan' Projects Begin To Show Results	K 23

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Commentary Against Bourgeois Liberalization	0 1
Fujian Secretary at Xu Xianshi Memorial Service [FUJIAN RIBAO 21 Dec]	0 1
Nanjing Issues Measures To Control Demonstrations [XINHUA RIBAO 29 Dec]	0 2
Nanjing Radio Notes Cultural Revolution Tricks	0 4
Jiangsu Reports Economic Growth in 1986	0 5
Shanghai 'Pro-Reform' Paper Ceases Publication [AFP]	0 5
Zhejiang Secretary Encourages Improving Work Style [ZHEJIANG RIBAO 23 Dec]	0 6
ZHEJIANG RIBAO Urges Students To Think Properly [30 Dec]	0 7

CENTRAL-SOUTH REGION

Guangdong Secretary on Democracy, Student Issue [TA KUNG PAO 10 Jan]	P	1
Guangdong Leader Calls for Opposing Liberalization	P	2
Hainan Meeting Discusses Militia Work Issues	P	2 3 5 6
Henan Article Criticizes Liberalization Trend	P	3
HENAN RIBAO Urges Opposition to Liberalization	P	5
Hubei Radio Urges Opposing Liberalization	P	
Hunan Propaganda Chief on Opposing Liberalization	P	7
NORTH REGION		
Beijing Students' Parents Urge Discipline	R	1
BEIJING RIBAO Article Advises Young People	R R	1
Shanxi Urges Vigilance Against 'Hostile Elements'	R	2
Shanxi Radio Accuses Some of Neglecting Politics	R	3
NORTHEAST REGION		
Jilin's Gao Di Attends Forum on Circulation	s	1
HONG KONG & MACAO		
HONG KONG		
Committee Discusses Post-1997 Land Rights		1
MACAO		
Machado Had No Knowledge of 'Secret Pact'	¥	1
PRC Threat 'To Annex' Macao	W	2

PAPER CRITICIZES KABUL CEASE-FIRE PROPOSAL

HK100806 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 10 Jan 87 p 6

[Commentary by correspondent Shi Zongxing (0670 1350 2502): "A 'Cease-Fire Proposal' That Evades the Vital Issues"]

[Text] Shortly after the beginning of the new year, Najibullah, leader of the Kabul regime, produced a "cease-fire" proposal. It was suggested that starting from 15 January, the Afghan Government troops and the resistance force should put an end to all hostilities as a step toward "national reconcilation" and the formation of a "national coalition government." This proposal was rejected by the resistance force as soon as it was made known. Members of the resistance force have successively spoken on this, pointing out that this is "yet another trap" to "deceive" public opinion and the Agfhan people. They resolutely reiterated that "so long as there is still a single Soviet soldier on Afghan soil, fighters of the holy war will not lay down their arms." Shortly after all this, Najibullah announced that although his proposal had been rejected by the resistance force, he would still order the government troops to "unilaterally ceasefire" for 6 months.

People have responded to Kabul's "cease-fire" proposal differently. Some refer to it as a "New Year's gift" which "brings hope" for settling the Afghan issue politically. However, even more people have suggested that the proposal evades the most central issues, has "no significance" for settling the Afghan issue politically, and "they are not surprised" that the resistance force has flatly rejected it.

Some analysts have pointed out that according to internationally acknowledged political principles, the crux of the Afghan issue is the invasion of the country by foreign troops. By starting a large-scale colonial war in that country, using an army of more than 100,000 and the latest conventional weapons, the Soviet Union has forced the Afghan people to defend themselves against aggression. To settle the Afghan issue, it is first necessary that the Soviet aggressor troops cease fire, totally withdraw from the country as soon as possible, and restore Afghanistan's status as an independent, neutral, and nonaligned country. However, in the present "cease -fire" proposal raised by the Kabul regime, there is no mention of either an end to the invasion and occupation by the Soviet aggressor troops or of their total withdrawal. It only calls on the government troops to "return to their camps" and the resistance force to "lay down arms." Some members of the resistance force have suggested that acceptance of this "cease-fire" proposal is tantamount to "surrendering" to the aggressors and the puppet government.

Some analysts have noticed that Najilbullah produced this "cease-fire" proposal exactly 3 weeks after the end of his trip to Moscow. A few days after the proposal was made known, the Soviet foreign minister suddenly paid a "working visit" to Kabul. All this shows that after its "partial withdrawal" proposal was considered to be a false front by international opinion last year, it is now planning a new round of "peace offensives."

News from the Afghan theater tells us that in spite of the "cease-fire" proposal raised by the Kabul regime, the Soviet troops and the Kabul Government troops have not slackened their military operations against the resistance forces in this cold winter. According to an Afghan news agency, at the beginning of January, the Soviet troops and Afghan government troops mounted a major offensive on the Da La Gai Yi [6671 2139 5556 0122] region in Paktia, in an attempt to seize back the strongholds taken by the resistance force last month.

There have also been several military encroachments against Pakistan. On 2, 3, and 6 January, Afghan air units bombed Pakistani territory, killing and injuring several civilians.

To settle the Afghan issue, it is first necessary to put an end to the occupation of the country by troops from another country. Only then can the Afghan people independently solve their own internal problems.

As pointed out in several recent editorials in the PAKISTAN TIMES, "the Afghan crisis i/, from the outset a result of the Soviet occupation." If Najibullah is really interested in bringing about national reconciliation and a political solution, he should first tell the Soviet Union to withdraw its troops. Only when this is done can there be a genuine cease-fire and can the Afghan political forces jointly form a national coalition government."

SHEVARDNADZE KABUL VISIT, UESR WITHDRAWAL VIEWED

OW101616 Beijing XINHUA in English 1607 CMT 10 Jan 87

["News Analysis: Shevardnadze's Kabul Mission" -- XINHUA headline]

[Text] Beijing, January 10 (XINHUA) -- The mission to Kabul itself is noteworthy enough: The highest ranking Soviet officials to visit this Moscow-backed regime since 1979 left behind a promise to set a timetable for Soviet troop withdrawal.

So is the timing: Soviet Foreign Minister Eduard Shevardnadze and Communist Party Foreign Affairs Secretary Anitoliy Dobrynin arrived less than a week after Kabul announced with much fanfare a proposal for "a ceasefire and national reconciliation" with the resistance forces.

The prospect for and end to the eight years of bloodshed in war-torn
Afghanistan, however, appears no brighter than before, because evidence shows Moscow
and its client Kabul governbment are only launching another "peace offensive."

A communique issued at the end of the two-day mission of Shevardnadze and Dobrynin revealed that despite Moscow's promies for a timetable to pull out some 110,000 Soviet troops. Moscow remained as adamant as before in rejecting a complete unconditional troop withdrawal, an issue central to any political settlement of conflict in the country.

In an interview at the end of his visit January 7, Shevardnadze shed light on Soviet intentions when he said that a complete troop withdrawal "depends in the first place on an end" to outside interference in Afghanistan.

Explaining his so-called "national reconciliation," Najibullah, head of the Soviet-installed regime in Kabul, proposed that a coalition government be set up even before Soviet tanks rumble out of the country.

Najibullah's words cannot but mean that a ceasefire in Afghanistan can be achieved only in the shadow of the Soviet Army.

Naturally, the Afghan resistance forces did not hesitate to reject the Moscow-directed "peace provosal."

"If the Russians really want a ceasefire in Afghanistan," said a resistance spokesman, "there is only one way out -- a complete withdrawal of all their troops."

But when? People may well ask.

RENMIN RIBAO VIEWS U.S.-SOVIET RELATIONS IN 1987

HK030802 Beijing RENMIN RIBAO in Chinese 3 Jan 87 p 6

["Jottings" by Zhang Liang (4545 5328): "Prelude"]

[Text] People recall that on New Year's Day 1986, Reagan and Gorbachev respectively appeared Soviet and American television to extend new year greetings to each other's people. However, such a scene could not be shown on the television screen on New Year's Day 1987. Such a change affords food for thought.

Originally, the United States proposed to the Soviet Union that the two leaders appear on television in each other's country to extend new year greetings. The Soviet Union rejected this request, giving as its reason American behavior over the past year.

Despite this, on New Year's Eve the two leaders spoke or commented on U.S.-Soviet relations in other ways. Speaking on the Voice of America, Reagan told the Russian people: The United States will continue to make every effort to reach a substantive agreement on arms control. He also called for the strengthening of cultural exchanges, the promotion of mutual understanding, and the elimination of suspicion and distrust between the United States and the Soviet Union. Gorbachev, interviewed by an American journalist, also said that he agreed that the Soviet Union and the United States should continue to talk at Geneva during 1987 to facilitate progress in arms limitation and reduction.

There is no harm in saying that the failure to deliver new year greetings over television and the above-mentioned remarks of the U.S. and Soviet leaders epitomize the current state of relations between the two countries. If the television failure is described as the struggle aspect of U.S.-Soviet relations, then the leaders' remarks are another aspect, that of seeking dialogue.

This prelude shows that in their confrontation of vying for military supremacy and world begemony, the United States and the Soviet Union — the two superpowers — both need to continue to maintain a dialogue. A number of well-known American figures recently appealed to the Reagan Administration to develop economic and trade ties with the Soviet Union and also to seize the present "favorable opportunity" to reach a disarmament agreement. This shows that in their mutual confrontation, they also want to carry on mutual dialogue. It is precisely this special relationship that has compelled them to move toward talks while also finding it difficult for a time to make major progress. It seems that this presages the pattern of U.S.-Soviet relations this year.

RYZHKOV'S VISIT, USSR-FINNISH TIES VIEWED

OWO61242 Beijing XINHUA in English 1218 GMT 6 Jan 87

["Roundup: Soviets Seek Development of Relations With Finland (by Tang Xiushan)" --XINHUA headlinel

[Text] Moscow, January 6 (XINHUA) -- Soviet Premier Nikolay Ryzhkov left Moscow today for an official visit to Finland at a time when economic relations between the two countries have been strengthened in recent years.

In the past few years, Soviet-Finnish ties have been featured by frequent economic contacts and visits between senior leaders of the two countries.

In 1985 Finnish President Mauno Koivisto came to Moscow for a working visit at the invitation of Soviet leader Mikhail Gorbachev. Last month Finnish Prime Minister Kalevi Scrsa visited the Soviet Union following a visit to Finland by Yegor Ligachev, member of the Political Bureau of the Soviet Communist Party's Central Committee.

It is believed that Ryzhkov's visit will concentrate on economic cooperation between the two countries and the international situation, particularly the issue of security in Europe.

In the past years, economic ties and cooperation between the Soviet Union and Finland have been developed considerably, with the trade volume totaling 5 billion rubles (about 7.5 billion U.S. dollars) in 1985. The Soviet Union is Finland's largest trading partner while Finland occupies a place second only to Federal Germany among industrial countries in trade with the Soviet Union.

The Soviet Union mainly imports from Finland machinery and other equipment, ships, paper and consumer goods and exports to it oil, gas. coal, electric power and some machines. Two-thirds of Finland's oil needs and all its gas consumption are met by Soviet exports.

The Soviet Union has also provided technical aid to the construction of a nuclear power station and an iron and st 1 complex in Finland. In return, Finland has helped the Soviet Union in building some modern hotels and paper-making and ore-selecting enterprises.

The two countries are now engaged in a new form of economic cooperation in production and technology and on international markets.

The two countries have decided to extend a long-term economic cooperation plan, which was to expire in 1995, to 2000. Under the plan are 90 projects of cooperative production.

The development of economic and trade cooperation appears to be important not only to the economic growth and employment in Finland, but also to the Soviet Union's plan to introduce advanced technology and accelerate its economic construction.

In the Soviet-Finnish economic and trade cooperation, however, there are such problems as the trade balance and price coordination, which the Soviet side considers it possible to be solved through joint efforts of the two sides.

Ryzhkov's visit, the first major Soviet diplomatic move in 1987, constitutes the continuity of Soviet-Finnish political dialogue and the prelude of the Soviet diplomacy in Europe this year.

In their talks over the past two years, leaders of the two countries have expressed willingness to help maintain stability in Europe, particularly in northern Europe, reduce armaments and prevent the arms race from spreading to outer space.

Moscow voiced support for a proposal by Finland to establish a nuclear-free zone in corthern Europe. The Soviet Union hopes that through "political cooperation" on these major issues and "coordinated actions on the international arena" between the two countries, it will be able to influence the development of the situation in Europe as a

The frequent exchange of visits between leaders of the countries shows that they have attached great importance to bilaterial relations. As Ligachev pointed out when he visited Finland last year, "The relations with Finland are the focus of Soviet leaders' attention." Finnish President Koivisto also said relations with Moscow are the center of his country's foreign policy.

XINHUA NOTES ACTIVITIES OF SOVIET LEADERS

OW111259 Beijing XINHUA in English 0659 GMT 11 Jan 87

[Text] Moscow, January 11 (XINHUA) -- Soviet leaders' diplomatic activities have been at full tilt since 1987 began.

In the past 10 days, Chairman of the Soviet Council of Ministers, Nikolay Ryzhkov, visited Finland, and Soviet Foreign Minister, Eduard Shevardnadze, and Party Foreign Affairs Secretary, Anatoliy Dobrynin, visited Afghanistan.

Last Tuesday, Soviet Foreign Ministry spokesman, Gennadiy Gerasimov, said his country was not opposed to a new superpower nummit after the White House spokesman said Monday U.S. President Ranald Reagan's invitation to Soviet leader Mikhail Gorbachev for such a meeting should lead to solutions to disarmament issues.

As for Soviet internal affairs, new and old ideas are being bantered about among those supporting serious reform and those more conservative members in power.

Soviet newspapers have been tusy since January 1, discussing new ideas and exposing various social problems. For the first time, national drug addiction figures were published, and some historical figures are being re-evaluated in academic circles.

Several government officials, including Health Minister Sergey Burenkov, have been relieved of their duties.

Many Soviets support such "openness" while others fear that this will vilify socialism. Newspaper commentaries have supported the "openness", saying it shows the inherent strength of the socialist system. In the Soviets' political life, developing democracy is attached great importance to while party's leadership is stressed. Cultivating a sense of being the master of the society is encouraged.

To Soviet leaders, 1987 is a year of crucial importance for the country's internal and foreign affairs. The current reform, however, won't experience smooth sailing. As Gorbachev has said, Soviets must not be lax.

DPRK PROPOSAL LETTER TO SOUTH REPORTED

OW111504 Beijing XINHUA in English 1444 GMT 11 Jan 87

["DPRK Proposes Formation of Delegations for High-Level Political and Military Talks With South Korea" - XINHUA headline]

[Text] Pyongyang, January 11 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today broadcast a projosal to South Korea suggesting that both sides from a delegation for high-level political and military talks and meet in Panmunjom on January 27.

The proposal, the second from the North in less than a month, was contained in a letter from DPRK Premier Yi Kun-mo and Minister of the People's Army O Chin-u to South Korean's No Sin-yong and Yi Ki-paek. The letter was to be received by South Korean officials in a pre-arranged meeting in Panmunjom Saturday, but South Korean officials failed to show up for the exchange.

According to the Korean central TV station, South Korea gave short notice, without explanation, that it was not able to receive the letter Saturday but would pick an alternate date.

The letter from the North suggested that each delegation to the high-level talks be made up of between seven and nine high ranking political and military leaders and be led by a vice-premier and the chief of the general staff.

The letter was written in accordance with a proposal put forward by DPRK leader Kim II-song late last month. Kim called for high-level political and military talks in order to alleviate tension on the Korean peninsula and open the road to peaceful reunification of the nation, divided since the 1950-52 war.

The letter ruled out preliminary meetings, calling instead for direct talks. But it said that if the South wished a meeting between a few officials from each side could be arranged to discuss the agenda and location of the talks.

The letter reiterated objectives for the talks outlined by Kim in December. They are: To search for measures to relax political confrontation and military tension between the North and South; to end mutual slander campaigns and realize multi-lateral cooperation and exchanges between the two sides; to reduce armed forces, suspend the North-South Korean arms race, transform the demilitarized zone into a peace zone and end large-scale military exercises; and to upgrade the functions and powers of the Neutral Nations Supervisory Commission made up of Czechoslovakia, Poland, Switzerland and Sweden and set up a supervisory force with troops from those nations.

The letter utged South Korea to make respond positively to Kim's proposal.

Commentary on Proposal

HK110634 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 11 Jan 87 p 6

["Short commentary": "Reasonable and Practical Proposal"]

[Text] In a speech delivered at the first meeting of Korea's Eighth Supreme People's Assembly on 30 December last year, President Kim II-song proposed that the North and the South hold high-level political and military talks to discuss measures for putting an end to their exchange of slanders, for bringing about cooperation between the two sides in various fields, for reestablishing the ties between the people in the North and the South, for terminating the political confrontation between them, for reducing their military strength, for terminating the arms race between them, for transforming the Demilitarized Zone along the Military Demarcation Line into a peace zone and for expanding the powers of the Neutral Nations Supervisory Commission, and the problem of the formation of a Neutral Nations Supervisory Army by the military personnel of the members of this commission, namely Czechoslovakia, Poland, Swi'zerland, and Sweden, as an organ responsible for supervising the military activities of the two sides in the Demilitarized Zone along the Military Demarcation Line. In addition, President Kim Il-song also suggested that: "As for proposals raised by South Korea, we are willing to discuss them so long as they are conducive to softening the political and military situations." On 10 January this year, the prime minister of Korea's State Administration Council and the Korean minister of People's Armed Forces separately sent letters to South Korea's prime minister and defense minister, presenting even more specific proposals for holding North-South high-level political and military talks.

President Kim Il-song's proposal is reasonable, practical, and feasible. It fully reflects the Korean Government's sincere desire and firm determination to seek independence and peaceful reunification and has great significance for enhancing the mutual trust between the North and the South, for alleviating the tension between them, and for bringing about dialogue between them in all fields.

For a long time, the DPRK Government has been unremittingly striving for the country's independence and peaceful reunification by raising a series of reasonable and correct proposals. In recent years, to alleviate the tension on the Korean peninsula, the Korean Government has proposed tripartite talks between the military authorities of the North and the South, the transformation of the Korean peninsula into a nonnuclear peace zone, and voluntarily stopping military exercises. Thanks to the North's efforts and proposals, there have been extensive contacts and dialogue between the two sides. Nowever, all this has been unduly fruitless and the dialogue is being suspended on account of the United States and South Korea.

The protracted political-military confrontation between the two sides has led to serious mutual distrust. To put an end to this distrust, it is necessary for the two sides to sit down and talks sincerely. Now, by raising a new proposal, President Kim Il-song has made available an opportunity to achieve all this. The South Korean authorities should positively respond to it and show that they are indeed sincere about alleviating the tension on the Korean peninsula and improving the relations between the North and the South by taking some practical actions.

PRC Supports Proposal

OW120752 Reijing XINHUA in English 0745 CMT 12 Jan 87

["China Supports DPRK's Proposal for Talks With South Korea" -- XINHUA headline]

[Text] Beijing, January 12 (XINHUA) -- A Chinese Foreign Ministry spokesman said here today that China actively supports a proposal put forward by the premier of the Administration Council and minister of the People's Armed Forces of the Democratic People's Republic of Korea for high level political and military talks between the North and South of Korea.

Answering a question by some correspondents here, the spokesman described the proposal as "another major effort" by the DPRK for the resumption of dialogues between the North and the South of Korea and for the relaxation of the situation on the Korean peninsula.

"We have always held that dialogues between the North and the South of Korea are conducive to the elimination of confrontation, the promotion of understanding and the relaxation of the situation on the Korean peninsula," the spokesman said.

"It is our hope that South Korea will seriously consider the proposal by the Democratic People's Republic of Korea and make positive response to it." he said.

LDP'S TAKESHITA LEAVES FOR PRC TO MEET LEADERS

OW110822 Beijing XINHUA in English 0817 CMT 11 Jan 87

[Text] Tokyo, January 11 (XINHUA) -- Liberal-Democratic Party (LDP) Secretary-General Noburo Takeshita left this morning from Osaka for a five-day visit to China.

This is Takeshita's first trip to Beijing in three and a half years, though it is his fourth trip to China.

During his visit, the 62-year-old party leader will meet Chinese leaders Deng Xiaoping, Hu Yaobang, Zhao Ziyang and Foreign Minster Wu Xueqian, sources here said.

He also carries a personal letter from Prime Minister Yasuhiro Nakasone to Hu Yaobang.

A de facto leader of the largest LDP intraparty faction nominally headed by ailing former Prime Minister Kakue. Tanaka, Takeshita is one of the so-called three "new leaders" who are competing to succeed Nakasone after his extended tenure expires in October this year.

The other two are LDP General Council Chairman, former Foreign Minister Shintaro Abe, and Finance Minister Kiichi Miyazawa.

Discussion With Wu Xueqian

OW111526 Beijing XINHUA 1516 GMT 11 Jan 87

["Chinese Foreign Minister Hopes for Long-Term Sino-Japanese Friendship" -- XINHUA headline]

[Text] Beijing, January 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Kueqian today stressed the need to avoid unpleasant happenings between China and Japan in order to ensure long-term good-neighborly, cooperative relations.

Wu made the comment at a meeting with Noburo Takeshita, secretary general of the Japanese Liberal-Democratic Party, who arrived here this afternoon for a 5-day goodwill visit at the invitation of the Chinese Foreign Ministry.

"We adopt a forward-looking attitude and exercised great restraint in handling problems that cropped up between our two countries," Wu said. "We made great efforts to explain and persuade our people in the interest of Sino-Japanese friendship."

"We have also noticed and appreciate the wise decisions made by Prime Minister Yasuhiro Nakasone and the Japanese Government," he added.

During the 15 years since the normalization of the two countries' relations. Wu said, the Japanese Government statesmen, and people from various circles in Japan bave contributed to Sino-Japanese friendship.

Wu said Sino-Japanese friendship has already had a "very good political basis." He hoped that Sino-Japanese relations would continue to develop steadily on a long-term basis and that no difficult problems would turn up.

Takeshita expressed his satisfaction over the steady development of Sino-Japanese relations since former Japanese Prime Minister Kakuei Tanaka's 1972 visit to China.

He said, as secretary-general of the Japanese Liberal-Demorratic Party, he will work for the further development of the two countries' relations.

Takeshita and Wu, who met in Takeshita's hometown Shimane Prefecture 30 years ago, today also exchanged views on international issues of mutual concern.

Takeshita briefed Wu on the major problems facing his party while Wu briefed him on China's economic development, economic restructuring and open policy.

The meeting was followed by a dinner Wu gave in honor of Takeshita, Mrs. Takeshita and his party.

The Chinese foreign minister also praised Nakasone's decision last year to skip an official visit to Yasukuni Shrine where over 2.4 million Japanese war dead and over a dozen Class-A war criminals are enshrined, they said.

Takeshita will meet senior leader Deng Xiaoping Tuesday. But it is not known when he will meet premier Zhao Ziyang, officials said.

Meanwhile, the Chinese foreign minister told Takeshita that current waves of student demonstrations have failed to win social support and that China's economy will not be affected by them.

Wu rade the comment after Takeshita told ham the Japanese business world is concerned about the demonstrations that have taken place in Beijing, Shanghai and other major cities since late last year, the Japanese officials said.

Wu was quoted as saying China has made efforts since 1978 to develop its economy and prepare legislation to promote open-door policies.

Wu said some bad elements have erupted among students, fanning anti-Communist Party slogans, but that the overwhelming majority of the Chinese people, including students, are opposed to such moves.

The foreign minister, giving a banquet later in Takeshita's honor, spoke in favor of a long-term stable relationship between Japan and China.

Takeshita replied that Japan and China both bear historical duties to cooperate with each other from bilateral as well as global points of view, the officials said.

CONSULAR TREATY WITH MPR RATIFIED IN BEIJING

OWO91104 Beijing XINHUA in English 1034 GMT 9 Jan 87

[Text] Beijing, January 9 (XINHUA) -- Assistance Foreign Minister Tang Longbin and Mongolian Ambassador to China N. Luvsanchultem today exchanged the instruments of ratification of the consular treaty between the People's Republic of China and the Mongolian People's Republic.

The treaty was signed in Ulaanbaatar on August 9, 1986 and will go into effect from February 7, 1987.

On Taiwan, Unrest

OW120039 Tokyo KYODO in English 0020 GMT 12 Jan 87

[Text] Beijing, Jan 11 KYODO -- Chinese Foreign Minister Wu Xueqian said Sunday that China is concerned about increasing Japanese defense spending and that Asia is worried Japan might become a major military power.

Wu, in a meeting with Japan's Liberal-Democratic Party Secretary General Noboru Takeshita on Sunday night, said Japan should impose a limit on its defense budget, according to Japanese officials. Japan should show more sensitivity toward the feelings of neighboring countries before promoting military buildup, Wu was quoted as saying.

Wu's comment represented the first official reaction from China to Japan's decision late last year to scrap its decade-long policy to keep its defense budget below one percent of gross national product.

On December 30, the government of Prime Minister Yasuhiro Nakasone compiled the 54,101 billion yen budget for fiscal 1987, which included 3,517 billion yen in defense outlays or 1.004 percent of its gross national product, projected at 350.4 trillion yen.

Takeshita, who conferred with the Chinese foreign minister soon after his arrival in Beijing for a five-day visit Sunday, defended Japan, saying it maintains its traditional defensive security policy and poses no military threat to its neighbors, the officials said.

Wu told Takeshita that China supports Japan's non-offensive policy but that Asian countries will react if Japan grows into a major military power.

Takeshita, who is regarded as a possible successor to Nakasone as top Japanese leader, is scheduled to stay in China through Thursday as Wu's guest.

Takeshita handed Nakasone's message to Communist Party General Secretary Hu Yaobang at the outset of the one and a half hour meeting at the Diaoyutai Guesthouse, officials said. The content of the message was not available.

Vice Foreign Minister Liu Shuqing told Takeshita that Hu could not be there to greet him because the party general secretary is ill from overwork.

Foreign Minister Wu welcomed the tightening friendship between Japan and China since the two countries re-established diplomatic ties in 1972.

Wu asked Takeshita not to create a new problem in connection with Taiwan, indirectly referring to moves among Japanese conservative politicians to praise the late Kuomintang leader Chiang Kai-shek, officials said.

YANG DEZHI, XU XIN ARRIVE IN BANGLADESH

OW070740 Beijing XINHUA in English 0727 GMT 7 Jan 87

[Text] Dhaka, January 7 (XINHUA) -- Chief of General Staff Yang Dezhi of the Chinese People's Liberation Army arrived here for a five-day visit to Bangladesh.

Yang, accompanied by Deputy Chief of General Staff Xu Xin, is the highest ranking Chinese military officer that has visited Bangladesh since the two countries established diplomatic relations in 1975.

During his visit here, Yang, who flew in this morning at the head of a 12-member Chinese military delegation, is expected to call on commander-in-chief of the Bangladesh Armed Forces and President Hussain Mohammad Ershad, meet Bangladesh Armed Forces officers and visit Chittagong, Bangladesh's largest seaport.

Sees Ershad

OW101611 Beijing XINHUA in English 1601 GMT 10 Jan 87

[Text] Dhaka, January 10 (XINHUA) -- Bangladesh President Hussain Mohammad Ershad and visiting Chief of General Staff of the Chinese People's Liberation Army Yang Dezhi today both expressed their satisfaction over the development of the existing bilateral relations.

At tonight's dinner in honor of Yang Dezhi, the highest ranking Chinese military officer ever to visit this South Asian country since the two countries established diplomatic relations in 1975, Ershad said he appreciated the Chinese cooperation with Bangladesh in the military and economic fields.

He said he also observed with great pleasure and keen interest the tremendous success achieved in different fields of economy in China.

Yang, who arrived here on January 7 for a five-day visit as the head of a 12-member Chinese military delegation, said it was the Chinese Government's firm policy to continue strengthening its friendship, solidarity and cooperation with Bangladesh and support each other in national defense and development.

In the last few days, Yang met Bangladesh officers, witnessed an infantry exercise, went to lay a wreath at the Monument to the Martyrs and visited Chittagong, Bangladesh's largest seaport.

The Chinese delegation will leave here tomorrow for Bangkok.

Delegation Leaves

OW110858 Beijing XINHUA in English 0845 GMT 11 Jan 87

[Excerpts] Dhaka, January 11 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, left here this afternoon after concluding a five-day visit to Bangladesh. [passage covered in previous item omitted]

Yang and the I2-member Chinese military delegation he is leading are heading for Bangkok for a five-day visit to Thailand.

OFFICIALS MEET AFRICAN STUDENTS; CONDEMN LETTER

OW091716 Beijing XINHUA in English 1659 GMT 9 Jan 87

[Text] Beijing, January 9 (XINHUA) -- Government officials today met with nine representatives of African student studying in Beijing who were furious over a letter which slanders against them and attempts to drive a wedge between China and African countries.

Li Shunxing, deputy director of the Foreign Affairs Office under the State Education Commission, talked with the students in a friendly and earnest atmosphere, according to an official attending the meeting.

The meeting was conducted at the suggestion of the African Diplomatic Corps in the wake of the African students' activity in the diplomatic compound to lodge their demands and complaints Thursday.

At the meeting, Li, on behalf of the commission, denounced the letter signed by a so-called "Chinese Students Association". Li said the letter slandered African students, the official said.

Li pointed out that the letter was an attempt to sow discord between Chinese and African students and undermine the friendship between China and African countries. He said this is doomed to failure.

The representative at the meeting expressed their thanks for the attitude taken by the commission, saying they hold the same view as Li and are willing to cooperate in an effort to trace the writer of the letter, the official said.

However, Li also said that if foreign students studying in China meet difficulties and problems they can raise their opinions through normal channels. In a spirit of friendly cooperation and in the light of Chinese laws and regulations these problems will be solved.

Li said that it was not proper for some African students to walk out of their classes in defiance of persuasions.

"Instead of helping solve the problem, the action disturbed order at the school and public places. Those who walked out of the classroom are required to go back immediately," Li said.

Li said China guarantees the security of its citizens and all foreigners including foreign students in China. All the foreigners in the country should abide by Chinese laws, decrees and regulations, Li said, adding that foreign students should also abide by the regulations of the schools where they study.

At the meeting, the students made some suggestions for further promoting the understanding and friendship between the Chinese and African peoples, the official said.

In the afternoon, Li Keqiang, secretary-general of the All-China Students Federation, met with these representatives. Li said China values friendship between China and African students.

"There is not a 'China Students Association' in the country. The letter must have been forged by a handful of bad persons. The federation denounces such nasty activity," Li Kaqiang said.

The students were of the view that the author of the letter succeeded in only bringing unhappiness to both parties, which could by no means undermine the friendship between China and African countries.

The African students also hoped to make more contacts with the federation and take part in activities sponsored by it.

PLA DELEGATION MEETS NIGERIAN OFFICIALS

Talks With Army Chief

OWO71153 Beijing XINHUA in English 0712 GMT 7 Jan 87

[Text] Lagos, January 6 (XINHUA) -- Nigeria can benefit from China's experience in the development of a modern self-reliant army, Nigerian Chief of Army Staff Major General Sanni Abacha declared today.

During a closed-door meeting with a high-ranking Chinese military delegation here, Abacha said he appreciated China's move to reduce its army by one million earlier last year.

Chinese military sources quoted the Nigerian army chief as saying that "it is the common desire of the two armies to save money for national economic construction."

The four-member Chinese military delegation arrived here Sunday for a week-long visit, the first of its kind since the two countries established diplomatic ties in 1971.

Deputy Chief of General Staff of the Chinese Army Xu Huizi, head of the delegation, said the visit is aimed at further promoting the links and cooperation between the two armies.

Abacha later gave a dinner in honor of the Chinese delegation.

He said the visit by the Chinese officers indicated that relations between the armed forces of the two countries are strengthening.

Nigeria has reportedly a 120,000-man army, which is ranked second among black African states.

Meets Nigerian President

OW101050 Reijing XINHUA in English 0249 GMT 10 Jan 87

[Excerpts] Lagos, January 9 (XINHUA) -- Nigerian President Ibrahim Babangida met today with a high-ranking Chinese military delegation on a visit in Lagos to promote ties between the national armies of the two nations. [passage covered in previous item omitted]

Babangida told the Chinese that their two armies have much in common and can learn from each other's experience. [passage covered in previous item omitted]

The delegation held a second round of talks today with Nigerian Chief of Army Staff Sanni Abacha and met with senior Nigerian officials including Defense Minister Domkat Bali. [passage covered in previous item omitted]

FURTHER ON HUANG KECHENG MEMORIAL, HU NONATTENDANCE

Attendees Listed

OWO80113 Beijing XINHUA Domestic Service in Chinese 1211 GMT 7 Jan 87

[Excerpts] Beijing, 7 Jan (XINHUA) -- A memorial meeting for Comrade Huang Kecheng was held in the west wing of the Great Hall of the People this afternoon. Comrade Huang Kecheng was an excellent leader of the party and the Army, an outstanding proletarian revolutionary, a strategist, an adviser to the Central Military Commission, and a former second secretary of the Central Commission for Discipline Inspection. More than 3,000 people from all sectors of the capital mourned with deep grief this long-tested, loyal communist fighter who was noted for his meritorious services and who commanded universal respect by virtue of his noble character.

Comrades Deng Xiaoping, Zhao Ziyang, Peng Zhen, Nie Rongzhen, and Ulanhu attended the memorial meeting and laid wreaths. Comrades Hu Yaobang, Li Xiannian, and Chen Yun went to the hospital many times to see Comrade Huang Kecheng when he was in critical condition, and they expressed heartfelt condolences on Comrade Huang Kecheng's passing away. In addition, they dispatched special messengers to convey their sincere sympathy and solicitude to the relatives of Comrade Huang Kecheng. Comrades Dent Yingchao and Xu Xiangqian phoned his relatives to express their heartfelt condolences on Comrade Huang Kecheng's passing away and to extend their sincere sympathy. Today, Comrades Hu Yaobang, Li Xiannian, Chen Yun, Deng Yingchao, and Xu Xiangqian separately presented their wreaths [fen bei xian le hua quan 0433 0446 3759 0055 5363 0946].

Zhao Ziyang, member of the Political Bureau Standing Committee of the CPC Central Committee and premier of the State Council, presided over the memorial meeting. Yang Shangkun, member of the Political Bureau of the CPC Central Committee and permanent vice chairman of the Central Military Commission, delivered a memorial speech and laid a wreath. [passage omitted]

In his memorial speech, Comrade Yang Shangkun highly praised Comrade Huang Kecheng for having gone through all kinds of hardships and difficulties; for having spared no effort in the performance of his duties in the course of his 60-year revolutionary career; and for having made immortal contributions to the Chinese people's liberation and to socialist construction. [passage omitted]

After Comrade Yang Shangkun delivered his memorial speech, all comrades present made three bows to the portrait of the late Comrade Huang Kecheng. Then the magnificent International filed the assembly hall. Deng Xiaoping, Zhao Ziyang, and other leaing comrades walked to Comrade Huang Kecheng's wife, Tang Dihua, and other relatives to express their sincere sympathy.

Also present and laying wreaths at the memorial meeting were: Central Committee Political Bureau members Wan Li, Xi Zhongxun, Fang Yi, Tian Jiyun, Qiao Shi, Li Peng, Wu Xueqian, Yu Qiuli, Hu Qiaomu, Hu Qili, Yao Yilin, and Ni Zhifu; alternate members Qin Jiwei and Chen Muhua; and Secretariat members Chen Pixian, Deng Liqun, Hao Jianxiu, and Wang Zhaoguo; Vice chairmen of the Central Advisory Commission Wang Zhen, Bo Yibo, and Song Renqiong; commission Standing members Wang Ping, Wu Xiuquan, Li Yimang, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian, Duan Junyi, Geng Biao, Ji Pengfei, Huang Zhen, and Huang Huoqing; Heshou, second secretary of the Central Commission for Discipline Inspection, and its Permanent Secretary Han Guang; and Vice Chairmen of the NPC Standing Committee Wei Guoqing, Peng Chong, Banqen Erdini Qoigyi Gyancan, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Huang Hua, and Chu Tunan.

Also attending were State Councillors Kang Shien, Zhang Aiping, Wang Bingqian, Song Ping, and Song Jian; Hong Xuezhi, deputy secretary general of the Central Military Commission; President of the Supreme People's Court Zheng Tianxiang; Yang Yichen, procurator general of the Supreme People's Procuratorate; Vice Chairmen of the CPPCC National Committee Yang Jingren, Kang Keqing, Qian Changzhao, Yang Chengvu, Zhou Peiyuan, Burhan, Fei Xiaotaong, Qu Wu, Qian Xuesen, and Lei Jicqiong; Adviser to the Central Military Commission Li Jukui; Huang Dingchen, chairman of the China Zhi Gong Dang; and Su Ziheng, chairman of the Taiwan Democratic Self-Government League. [passage omitted]

The following also presented wreaths at the memorial meeting: CPC Central Committee Political Bureau member Yang Dezhi, Central Advisory Commission Standing Committee members Wang Shoudao, Liu Lantao, Jiang Hua, Lu Dingyi, and Cheng Zihua; Vice Chairmen of the NPC Standing Committee Hu Jueven, Xu Deheng, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, and Liao Hansheng; State Councillors Gu Mu and Zhang Jingfu; Vice Chairmen of the CPPCC National Committee Ji Fang, Zhuang Xiquan, Pagbalha Geleg Namgyai, Hu Ziang, Dong Qiwu, Tao Zhiyue, Chen Zaidao, Lu Zhengcao, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Ye Shengtao, &a Jin, Ma Wenrui, Mao Yisheng, Liu Jingji, and Wang Enmao; advisers to the Central Military Commission Tan Zheng, Li Da, and Li Zhimin; and Comrades Cai Chang, Li Jingquan, Xiao Jinguang, He Changgong, and Fu Zhong.

Comrade Hoang Van Hoan also presented a wreath.

After the memorial meeting, the urn containing Comrade Huang Kecheng's ashes was sent to the Babaoshan Cemetery for Revolutionaries for interment.

TV Shows Service

OW071437 [Editorial report] Beijing Television Service in Mandarin at 1100 GMT in the "National News Program" on 7 January 1987 carries a 10-minute video report on the memorial service for Huang Kecheng held in the afternoon of the same day at the Great Hall of the People in Beijing.

The report begins with a shot of Huang Kecheng's portrait in uniform. Then a row of wreaths are shown, including those from Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, and Ulanhu. Hoang Van Hoan also sent a wreath, according to the announcer, but it cannot be seen clearly. This is followed by a closeup of an ash casket draped with a CPC flag.

The report then cuts to shots of leaders entering, with Deng Xiaoping in the lead, followed by Yang Shangkun, Zhao Ziyang, Peng Zhen, and others. Then Zhao Ziyang is seen presiding over the service and Yang Shangkun delivering the memorial speech. While the memorial speech is read in part by the announcer, the camera pans the hall to show the other participants, including Ulanhu, Wan Li, Xi Zhongxun, Nie Rongzhen, Fang Yi, Tian Jiyun, Qiao Shi, Li Peng, Wu Xueqian, Yu Qiuli, Hu Qiaomu, Hu Qili, Yao Yilin, Qin Jiwei, Chen Muhua, Deng Liqun, Hao Jianxiu, and Wang Zhaoguo. All of the above leaders are seen standing, except Nie Rongzhen, who is sitting in a wheelchair. Deng Xiaoping is seen flanked by Zhao Ziyang and Peng Zhen.

Following Yang's memorial speech, the participants pay respects to the deceased by bowing three times to his portrait. The video report ends with shots of leaders shaking hands with two women, apparently the bereaved family members. They shake hands one by one.

Deng Xiao ing is first; followed by Zhao Ziyang; Peng Zhen; Ulanhu; Nie Rongzhen, who is helped by someone; Yang Shangkun; Wan Li; Xi Zhongxun; Fang Yi; Qiao Shi; Tian Jiyun; Li Peng; Yu Qiuli; Wu Xueqian; Hu Qiaomu; Hu Qili; Yao Yilin; and others.

Hu Yaobang 'Worn Out'

BK111538 Hong Kong AFP in English 1524 GMT 11 Jan 87

[Text] Beijing, Jan 11 (AFP) -- Chinese Communist Party General Secretary Hu Yaobang is not receiving visitors for health reasons, an informed source said here Sunday.

Mr Hu, 71, was "worn out by his work" and his doctors have told him not to receive visitors, the Japanese source quoted Deputy Foreign Minister Liu Shuqing as telling the visiting general secretary of Japan's ruling Liberal-Democratic Party.

Mr Liu made the remark as he welcomed Noburu Takeshita on a visit to China, the Japanese source said.

Mr Hu was last seen in public December 29, when he received French Socialist Party Secretary Lionel Jospin. Mr Hu appeared in good health at that time, Informed sources said.

Hu Replacement Questioned

OW120125 Tokyo KYODO in English 0106 GMT 12 Jan 87

[Text] Beijing, Jan 12 KYODO -- The fate of Chinese Communist Party General Secretary Hu Yaobang appears uncertain following his failure to meet with Noboru Takeshita, secretary general of Japan's ruling Liberal-Democratic Party, who is now visiting China.

Chinese Vice Foreign Minister Liu Shuqing told Takeshita Sunday night that Hu is ill from overwork and cannot meet Takeshita. Liu was quoted as saying Hu has been banned from attending interviews with others.

A high-level Chinese Government official said Sunday night that Hu has been suffering from a cold and has been advised not to meet anyone considering his condition and his age of 71 years.

There are unconfirmed reports in Beijing that Hu has been under fire at the inner depths of the Communist Party for mishandling current waves of student demonstrations that have flared up in Beijing, Shanghai, Hefei, Tianjin and other cities since late last year.

China's official mass media has not reported Hu's activities at all since December 28.

Reliable Chinese sources said the party general secretary joined Premier Zhao Ziyang and Vice Premier Wan Li at a meeting called by supreme leader Deng Xiaoping on December 30. The nature of the session is not known.

Deng criticized those present at the meeting for failing to handle properly the pro-democracy demonstrations, the same sources said. However, it is not known whether Deng singled out Hu, they said.

Another Chinese source said Hu did not respond swiftly to the first wave of student demonstrations in Hefei, Anhui Province, in early December and showed broad support for the students, who called for freedom and democracy.

The source denied that Hu might be removed from his job as party general secretary for the time being.

Hu Yaobang, who suffered a downfall during the Cultural Revolution in the 1960's, became party general secretary in February 1980 and succeeded Hua Guofeng as party chairman in June 1981 under Deng's strong backing.

Hu became the highest ranking Communist Party leader, assuming again the post of party general secretary in September 1981, when the position of party chairman was abandoned.

Timing of Absence Problematic

HK121010 Hong Kong AFP in English 0958 GMT 12 Jan 87

[By Patrick Lescot]

[Text] Beijing, Jan 12 (AFP) -- Western diplomats here Monday said they were troubled by the fact that Communist Party leader Hu Yaobang's temporary absence from the political scene, officially for health reasons, should coincide with a current campaign against "bourgeois liberalism.

Deputy Foreign Minister Liu Shuqing Sunday told Noboru Takeshita, the head of Japan's ruling Liberal-Democratic Party, that Mr Hu was "worn out by his work" and unable to receive visitors.

But the timing of his absence could mean that Mr Hu, a known supporter of the country's open-door economic policy, disagrees with a current campaign to curb "bourgeois liberalism" in the wake of widespread student demonstrations calling for greater democracy and freedom, some diplomats here said.

The campaign has reportedly already led to the sacking of a senior official working directly under Mr Hu -- Zhong Peizang, director of the Information Bureau of the Propaganda Department -- and the expulsion from the party of a leading scientist and two writers.

"I fear the worst," said one Western diplomat upon hearing the news of Mr Hu's fatigue. "It's very ominous."

Mr Hu disappearing from the Chinese political scene "would be an extraordinary event," said another, adding however that the Chinese leadership had "not yet completely reversed their policy."

The pro-Beijing Hong Kong newspaper WEN WEI PO said Sunday that Mr Zhong had been replaced by his deputy, Wang Furu.

Mr Zhong's immediate superior, Propaganda Department chief Zhu Houze, has been an outspoken advocate of freer intellectual debate and is considered a key target of the conservative barklash, analysts said.

Both men work under the supervision of Mr Hu, and although some diplomats here believed it was unlikely that any purge would go higher than Mr Zhu, others were less sure.

"Two days ago, I thought the highest the campaign might go was Zhu -- now I really don't know," said another Western diplomat. "Things seem to have moved much farther and faster than I had expected."

Some diplomats said Mr Hu's absence could simply be a "tactical" withdrawal until the concern over the recent incidents dies down.

But there was widespread worry over the effects any division within the leadership may have on China's open-door policy.

Many noted that so far, the unrest had only provoked reactions chiefly benefitting he conservatives, and that supreme leader Deng Xiaoping now appeared to be acting more as an arbiter than as an architect of reform.

By retreating now, Mr Su would avoid committing himself to a campaign reminiscent of the one in 1983 against "spiritual pollution" from the West, they added.

Mr Hu and Mr Deng had put the brakes on that conservative-inspired campaign, which was considered disastrous for the reform policies that were the country's priority.

Mr Hu has not been seen in public since December 29, and was notably absent from a memorial ceremony last week for Long March hero General Huang Kecheng, although Mr Deng and Premier Zhao Ziyang were in attendance.

The current campaign against "bourgeois liberalism" has already led to the expulsion from the Communist Party of prominent astrophysicist Fang Lizhi, a professor at Hefei University considered to have been influential with radical students.

His expulsion was ordered personally by Mr Deng, according to a pro-Beijing Hong Kong daily.

No Comment on Replacement

LD121006 Belgrade TANJUG Domestic Service in Serbo-Croatian 0847 GMT 12 Jan 87

[Text] Beijing -- Some political observers in Beijing this morning are persistently spreading rumors that the current political fate of CPC General Secretary Hu Yaobang is uncertain. This conclusion, however, is only the result of the fact that Hu Yaobang did not have a meeting with Noboru Takeshita, secretary general of the ruling Liberal-Democratic Party, as planned.

Official Japanese representatives explain this by saying that Hu Yaobang is ill. A government official said that he has a cold and that doctors have advised him not to receive visitors. The observers, however, connect the absence of Hu Yaobang from the public scene with the current wave of student demonstrations.

There are no official moves that could be understood as a more open confirmation of the truth of the rumors about Hu Yaobang. The Foreign Ministry's press representative, when asked by a TANJUG correspondent "whether Hu Yaobang was the general secretary at this moment" was given no reply, but promised that a statement would be made "if there is a reply."

On the basis of these unconfirmed signals the new general secretary is allegedly Zhao Ziyang, hitherto premier of the State Council and a member of the Standing Committee of the Politburo fo the Central Committee -- the body of five supreme personalities that conducts daily policy in China.

The new premier of China is allegedly Li Ruihuan, the mayor of Tianjin and a very young man.

It is said that this change came about recently at a session of the Politburo. How it went may only be guessed at, but according to very persistent versions it appears that the Chinese leader Deng Xiaoping criticized the general secretary for not demonstrating energy in the face of bourgeois liberalism.

The observers were then left to turn their attention to some details that in normal circumstances would not have been commented on. However (?with their gathering) now in one place, they are now being seen in a new light.

Hu Yaobang, as well as other major personalities in the Politburo, have not been involved in public activities for some time now. This time coincides with the initial phase of the large student disturbances in December. He has not even received guests, which is quite unusual. It was striking that he was not the interlocutor of the president of the Finnish Communist Party who has been visiting China for several days now.

DENG KIAOPING ORDERS CRACKDOWN IN DOCUMENT NO 1

HK120016 Hong Kong SOUTH CHINA MORNING POST in English 12 Jan 87 p 1

[By Lulu Yu]

[Text] China's leader, Mr Deng Ximping, has personally ordered the virtual elimination of protest movements, according to a top level Communist Party directive, which quoted his remarks to six reformist leaders on December 30.

Sources told the SOUTH CHINA MORNING POST that CPC Central Directive Number One quoted Mr Deng as saying that the recent spate of student unrest was threatening the unity and stability of the country, and that further protests should be dealt with toughly.

"When necessary, we must deal severely with those who defy orders. We can afford to shed some blood. Just try as much as possible not to kill anyone," Mr Deng allegedly said.

The sources said they were not clear who "we" represented, but believed that it referred to policemen.

Directive No One is an internal document issued by the highest authority and the first of its kind this year.

CPC directives, numbered chronologically within each year, have laid down new trends and policies in the agricultural, industrial or financial sectors for five years.

Directive Number One, on ideology and the dangers of bourgeois liberalism, was considered highly unusual and indicative of the issue's urgency.

It contained unedited excerpts of Mr Deng's remarks to CPC General Secretary Mr Hu Yaobang, Vice-Premier Mr Wan Li, Polithuro members Mr Peng Zhen, Mr Hu Qili, and Mr Li Peng, and Vice-Minister of the State Education Commission Mr He Dongchang during a meeting called by Mr Deng, POST sources claimed.

The directive included references to democracy wall hero Wei Jingsheng -- a dissident jailed in 1979 for 15 years -- with Mr Deng saying that a clampdown on dissents would not seriously tarnish China's image to the world.

Mr Deng told his colleagues that Professor Fang Lizhi should be dismissed and writers Liu Binyan and Wang Ruowang stripped of their party membership because the three had spread bourgeois liberalism and encouraged student "troubles," the sources in China said.

"Look at Wei Jingsheng. We put him behind bars and the democracy movement died. We haven't released him but that didn't raise much of an international uproar....

"These few years, we have been too lax in curbing the tides of bourgeois liberalism.

"Allowing some rightist influence is essential and correct, but we have gone overboard.

"We cannot continue to make concessions in the face of current student troubles. We must remember this lesson (the current demonstrations) and increase our vigilance," the 82-year-old leader was quoted as saying.

The government began its clampdown on the month-long movement late last month by adopting strict security regulations that place a de facto ban on demonstrations in Shanghai and Beijing.

Mr Deng reportedly expressed approval of these regulations, and praised commentators who toed the official line in the ongoing press campaign for maintaining stability.

He said that while non-CPC sembers such as Mr Zhou Gucheng, Mr Qien Weichang and Mr Fei Xiaotong gave useful advice to the students, CPC members said little to eduate the public.

Mr Zhou, a history professor at Shanghai's Fudan University, told the NEW CHINA NEWS AGENCY at the height of the demonstrations that "Western capitalist democracy was not a flower," and that students should concentrate on their studies.

Mr Deng also mentioned Mr Guo Luoji, a Nanjing University professor who fell out of favour in 1979 because of his liberal views, during the December 30 meeting, said the sources.

"Guo Luoji has not changed his views. But then he did not take part in the Nanjing student demonstrations, so that was all right," they quoted the directive.

Mr Wang Ruowang, on the other hand, had apparently been on Mr Deng's "sack list" for a long time. "I suggested expelling him last year (1985). He is still as wayward as ever. Why has it not been done?" Mr Deng reportedly asked his colleagues.

Mr Wang, a renowned Shanghai writer and outspoken critic of the government, said yesterday he had known for several days that he would be criticized and purged.

"They won't harm me. I'm already retired and no one's been willing to publish my works for a long time anyway.

"But they can't just expel me on the orders of one man. There are CPC rules to follow. If they want to expel me, they must tell me what I've done wrong. I personally don't think I've done anything and I was not involved in the student protests," Mr Wang said in a telephone interview.

He said he believed the relatively liberal atmosphere of the past year was coming to an end as censorship seemed to be returning to every corner.

Several newspapers, including the Shanghai weekly SOCIETY NEWSPAPER, Guangzhou's MODERN MAN and the SHENZHEN YOUTH, had been suspended since last week. Several films and plays — controversial by Chinese standards — were also banned following the student protests, said Mr Wang.

Document Stresses No Liberalization

HK100148 Hong Kong WED WEI PO in Chinese 10 Jan 87 p 1

["Special dispatch": "Central Authorities Issue Document No 1 on Student Unrest and Opposition to Liberalization"]

[Text] Beijing, 9 Jan -- The central authorities' recent instructions regarding the student unrest and opposition to liberalization have recently been transmitted to the whole party and the whole country in the form of CPC Central Committee Document No 1 of 1987.

According to our information, the Document No 1 issued in each of the past 5 years has dealt with agricultural reforms. However, this year the document contains the latest central instructions.

According to our information, the departments concerned will focus on two aspects in conducting propaganda on opposing liberalization: 1) Where does the superiority of socialism lie? 2) The problems existing in bourgeois democracy. This propaganda will be conducted for 1 year.

MORE ON PARTY EXPULSIONS FOLLOWING DEMONSTRATIONS

HK110536 Hong Kong AFP in English 0533 GMT 11 Jan 87

[Text] Beijing, 11 Jan (AFP) -- The Chinese Communist Party Central Committee has ordered the expulsion of Fang Lizhi, a deputy university president blamed with sparking student demonstrations for democracy, and two outspoken writers, informed sources said here Sunday.

Mr Fang, an astrophysicist who has had wide influence on the student depocracy movement through speeches and articles on the leading role of intellectuals and the need for far-reaching westermization, was ordered expelled in a party document issued Thursday, the sources said.

An official media campaign against "bourgeois liberalization" openly pointed to Mr Fang as its key target for the first time with an editorial in the GUANGMING DAILY criticising "the deputy president of a certain university."

Mr Fang is deputy president of the Science and Technology University in central Hefei, the starting point for a month of student protests for freedom and democracy that climaxed in a demonstration by several thousand students in Beijing's Tiananmen Square in violation of an official ban.

The sources said Mr Fang had been ordered expelled together with an outspoke writer, Wang Ruowang, and Liu Binyen, an investigative reporter whose exposes of Chinese society have been criticised for revealing "the dark underside" of socialism while ignoring its accomplishments.

The GUANGMING DAILY, the main party-run newspaper targeted at intellectuals, did not name Mr Fang directly but quoted the "deputy president of a certain university" as calling openly for "total Westernization."

"I entertain the idea of total westernization," the newspaper quoted him as saying. "Total externization includes the learning of Western scientific techniques, culture, politics, consciousness, morality, all things, including the political system and ownership system."

Analysts said the quote appeared to be an accurate rendering of Mr Fang's views, which had been widely circulated in past months during a party-sponsored "hundred flowers" campaign for free intellectual debate.

"He said it so obviously, so blatantly!" the newspaper said. "If our politics! and ownership system follows that of the Western bourgeoise, what will disting ish the socialist system? How can we build a socialist country with Chinese characteristics?"

The newspaper said that the unnamed deputy university president and people like him thought "capitalism better than socialism" and thought to "throw away" Chinese socialism.

Further Expulsions Expected

HK100514 Hong Kong SOUTH CHINA MORNING POST in English 10 Jan 87 p 1

[By correspondents in Beijing]

[Excerpt] The Communist Party, setting the stage for a possible purge of "bourgeois liberals," is preparing to expel two writers and an outspoken and ademic whose views on democracy have inspired participants in recent student protests.

Chinese sources said yesterday that at least two more expulsions, ordered by Mr Deng Xiaoping, will be announced around January 20 by the 44 million-marker party.

In another sign of an impending purge, a front-page editorial in the official GUANGMING DAILY newspaper attacked unidentified Communist Party members "in positions of respect and influence" who had failed to oppose "bourgeois liberals" within the party.

Mr Fang Lizhi, vice-president of the National Science and Technology University in the eastern city of Hefei, topped the list of those expected to be purged, sources said.

"He is not the only one," a Chinese source said. "More will be announced soon."

Sources said Shanghai writer Wang Ruowan and liberal writer Liu Bingyan, an "investigative reporter" for the Communist Party newspaper PEOPLE'S DAILY in Beijing, would also be expelled on Deng's orders.

An Asian diplomat said Mr Fang, an astrophysicist, was regarded as the "Andre Sakharov of China" by Chinese students and intellectuals.

Mr Fang said last month that everyone, including the leadership, agreed that China should be more democratic.

"The question is how to do it," he said. "It will take time. The process should be gradual. We should ask for things that are possible."

The diplomat said Fang appeared to be a victim of events.

"There has been a conservative backlash since the end of December, of which today's editorial is an example," he said. "But since the reformers are still in overall command, a lower-level reformer has been sacrificed and not a high-level one."

Someone who answered Liu Bingyan's home phone said he had gone out of town and would not be back for several weeks.

A Western diplomat said Liu had been attacked in the past for writing articles that "expose the dark underside of socialism rather than painting a pretty picture.

"But Liu has always argued that he is being more loyal to socialism by doing this than by saying only nice things about society," the diplomat said.

Diplomats said any expulsions may further inflame student activists and warned that a harder line against demonstrators could create concern among foreign investors.

Sources said the expulsions would not be announced until mid-month, when Chinese students will be on their Chinese New Year holiday.

Mr Fang, whose liberal views on democracy have been praised by the students taking part in protests in at least 13 Chinese cities during the past month, was reported to be in Beijing.

A spokesman at the Hefei Unversity, asked if Mr Fang had been dismissed from the party, said: "We have not seen the formal decisions."

The spokesman said Mr Fang went to the capital last week and was visiting Beijing University, a centre of student unrest.

GUANGMING DAILY's commentary said the party must "resolutely denounce" those who oppose the four basic principles of Marxism-Leninism and Mao Zedong Thought, the dictatorship of the proletariat, socialism and the leadership of the Communist Party."

"In the ideological battlefront, there are some Communist Party members who...basically deny the socialist system and plot to put China on the path to capitalism," the daily said. [passage omitted]

New University President Named

OW121022 Beijing XINHUA in English 1017 GMT 12 Jan 87

[Text] Hefei, Jan 12 (XINHUA) -- Professor Teng Teng was appointed new president of the Chinese University of Science and Technology and dean of the university's graduate school today, according to a decision of the Chinese Communist Party Central Committee and the State Council.

The decision was announced here this afternoon at the university by Zhou Guangzhao, member of the CPC Central Committee and vice-president of the Chinese Academy of Sciences.

Prof Teng, 56, is an engineering chemist and served as a vice-president of Qinghua University and vice-minister of the State Science and Technology Commission.

Zhou Guangzhao also announced that Peng Peiyun, vice-chairman of the State Education Commission, [will] be the party committee secretary of the Chinese University of Science and Technology, according to a decision of the party Central Committee.

It was also announced that Guan Weiyan was removed from his posts as the president of the university, deputy secretary of the university party committee and dean of the university graduate school. Fang Lizhi was removed from his post as vice-president of the university.

Guan and Fung are to be assigned as research fellows at the Institute of Physics of the Chinese Academy of Sciences and the Beijing Observatory, according to the decision.

Speaking of the reorganizing of the leading body of the university, Zhoi Guangzhao said that in a fairly long period of time, Fang Lizhi made any erroneous statements of bourgeois liberalization and deviated from the four cardinal principles (socialist road, people's democratic dictatorship, party's leadership and Marxism-Leninism and Mao Zedong Thought). Fang attempted to shake off the party's leadership and depart from the socialist road in running his school and his ideas have resulted in vicious consequences in the university and also were in illustrated in the recent student unrest there.

As the leading official of the university, Guan Weiyan seriously neglected his duty with the result that the ideological and political work in the school was weakened.

"The university leading body must be reorganized to ensure the leadership of the party and state and the implementation of the education policy of the party and state," Zhou Guangzhao said.

Li Guixian, secretary of the Anhui provincial party committee, said at the meeting that his committee fully supports the decision of the party Central Committee and State Council.

He said: "Fang Lizhi advocated bourgeois liberalization, defamed the party's leadership and party officials, negated the achievements of the party over the past decades, and slandered the socialist system. He also sowed discord among the party and the intellectuals, especially the young intellectuals."

"What Fang has done runs counter to the fundamental interests of the party and the people and the trend of history. It is intolerable," Li noted.

"Guan Weiyan committed a serious mistake by turning a deaf ear to the words and deeds in favor of bourgeois liberalization," he added.

"Guan is held responsible for the nationwide bad influence caused by the student unrest in the university," Li said, adding, "obviously, Guan is unsuitable to remain as the university president."

Most officials and teachers of the university disagreed with the erroneous words and deeds of Fang Lizhi, and many have rejected and opposed his ideas, the secretary said.

"Some comrades made some erroneous remarks under Fang's influence. It's a good thing that some of them have realized their mistake. The few comrades who fail to do so are allowed to take some time before they see their mistake, but they must observe discipline," he said.

The party secretary called on all party members, officials and teachers in the university to adhere to the four cardinal principles, and take a clear-cut stand in opposing bourgeois liberalization.

He also urged the students of the university to treasure the political stability and unity, and train themselves into qualified personnel with high ideals, morality, a good deal of knowledge and a strong sense of discipline.

Teng Teng and Peng Peiyun expressed their determination to turn the university into a socialist bastion of higher learning.

CHEN JUNSHENG WRITES ON UPHOLDING FOUR PRINCIPLES

OW111622 Beijing XINHUA Domestic Service in Chinese 0809 GMT 11 Jan 87

[Text] Beijing, 11 Jan (XINHUA) -- Uphold the Four Cardinal Principles in the Course of Reform and Opening

[By] Chen Junsheng

Reform and opening as our country's established policy are firm and unshakable.

Upholding the four cardinal principles in the course of reform and opening is also firm and unshakable.

Currently, a handful of people in society at large are saying that socialism is inferior to capitalism, that China needs complete Westernization.

Dissatisfied with the socialist motherland, these people have concluded that party leadership should be abolished.

As a matter of fact, there is nothing new about this ideological trend, because it appeared as early as 8 years ago. In his 30 March 1979 important speech entitled "Uphold the Four Cardinal Principles," Comrade Deng Xiaoping pointed out: "A handful of people in society at large are spreading ideas that oppose the four cardinal principles or at least cast doubt upon them. Individual party comrades, instead of recognizing the danger of such ideas, have given them a certain amount of direct or indirect support. Although the number of such persons both inside and outside the party is very small, we must not overlook their impact on that account."

Eight years later, ideas that oppose the four cardinal princples or cast doubt on them are emerging again. The only difference is that this time they are emerging under the disguise of "accelerating the reform of the political structure" and "striving for freedom and democracy."

Many arguments by this handful of people touch upon a fundamental question, that is, whether China should follow the socialist road. Comrade Ziyang recently pointed out that we should follow the socialist road. Comrade Ziyang recently pointed out that we should clearly explain to the young people two questions: Can a developing country be compared with a developed capitalist country and can socialism or capitalism save China? These two questions raised by Comrade Ziyang address foremost the ideological problem currently existing among a number of young people. Clarifying these questions is important in upholding the four cardinal principles.

China Must Adhere to the Socialist Road or We Will Return to a Semifeudal and Semicolonial Status [subhead]

Those who advocate that capitalism be practiced in China are, first of all, forgetting China's modern history and their ideas are divorced from the reality in China.

When China was in the later stage of the decadent rule of the Qing Dynasty, Western powers had already entered the imperialist stage from the early stage of capitalism and had already invaded and carved up China. At that time, many people who were determied to save China tried to learn from West and practice capitalism. However, the imperialist nations did not allow them to do so. At that time, the historical conditions of talking the socialist road were already nonextistent and China could only be reduced to a semifeudal and semicolonial nation. As Comrade Mao Zedong said: This forced men of insight in China to ponder the question: China wants to make Western nations its teachers and learn from them, but why do the teachers always beat the students. The Chinese people suffered and fumbled in the dark for many years and they finally found a road and came to understand the truth, that only by practicing socialism under the leadership of the Communist Party can China be saved.

Socialism indeed enabled the Chinese people to stand up. Gone forever was the period in which China was bullied and trampled upon. This is an achievement about which all patriotic Chinese feel proud. However, China could not shake off all its economic backwardness overnight.

Currently, the features of China's national conditions are: First, we are starting from a weak base; second, we have a large population but not enough arable land. The damage inflicted over a long period by the forces of imperialism, feudalism, and bureaucrat—capitalism reduced China to a state of poverty and backwardness. However, since the founding of the People's Republic, we have achieved great successes in economic construction and the growth rates in industrial and agricultural production have been rather high. Nevertheless, because of our low starting point, China is still a developing nation. Of China's 1 billion population, 80 percent are peasants. Insufficiently developed production poses serious problems in regard to food, education, and employment. However, we cannot blame these problems on socialism.

Some people always compare their own country, which has gone through a great deal and has just begun to rejuvenate, to some capitalist countries, which became well developed long ago. This comparison is rather unscientific. If a capitalist country has a large population, limited arable land, and the same tragic history of semifeudalism and semicolonialism as China's, we can then compare ourselves to this country. Some people compare China and the United States. Actually, the United States is a capitalist country with a history of more than 200 years. It is richly endowed by nature. During the two world wars, it found itself in a particularly advantageous position, reaped tremendous profits, and gained enormous wealth. However, during the past century, China continuously encountered outside aggression, and was forced to cede territory and pay indemnities. The nation was torn apart by separatist warlord regimes, while civil wars raged continuously. The country totally lost its vitality. Only 30 years have lapsed since the founding of New China. During that period, China has gone through the war to resist U.S. aggression and aid Korea, the protracted blockade by imperialism, and the breach of faith by a superpower. In addition, due to our own lack of experience, we have committed repeated errors, and our road of advance has been rather bumpy. We have spent only 8 years since the 3d Plenary Session of the 11th CPC Central Committee in truly carrying out reform and opening the country to the outside world. No matter ifit is 8 years or 30 years, it is impossible to turn China into a developed nation from an extremely poor one in such a short period. No one has this ability. A young man once bragged that the country would become so and so, if he were allowed to run the country. This shows only that he knows little about history and society. To run a country is no laughing matter. Social developments and the course of history are independent of a man's subjective will.

Comparisons must be made from similar social and historic conditions. The more one makes comparisons without taking into consideration each other's own conditions, and contrasts one's own motherland whose poverty and backwardness are caused by history against the most developed capitalist country, the more one would feel that we are no good. In the end, he would lose his pride and confidence, and his will to fight and rejuvenate the Chinese nation.

Some people believe that China's economy will boom if it follows the capitalist road. They say: Several small countries and regions in Asia such as South Korea and Taiwan have developed their economies quite rapidly by practicing capitalism. If we practice capitalism, will we become well developed too? Those people have forgotten that the Kuomintang also practiced bureaucrat-capitalism on the mainland. What happened? The entire country collapsed in the course of practicing bureaucrat-capitalism. Imbued with socialist ideals, the Chinese people have scored victory in the revolution under the leadership of the Communist Party. If New China practices capitalism, it will not be able to win the support of all the people in the country. Nor will it be able to whip up the tremendous revolutionary enthusiasm of all the people in the country to clear up the awful mess left over from the Kuomintang ruling circles.

As seen from the international environment, the United States supported Chiang Kai-shek. It is impossible for New China to gain a foothold in the world if it does not follow the socialist road. Therefore, to follow the socialist road is the correct choice of historic nature made by the Chinese people.

A phenomenon that has attracted the attention of some scholars in the world is that the several economically well-developed small countries and regions in Asia invariably lack democracy. For example, South Korea practices autocracy. For the past 30 years and more, Taiwan has enforced "martial law." Taiwan's special agents have extended their assassination activities from the island all the way to the United States and so on. There are some special reasons that a number of small countries and regions are able to develop their economies fairly rapidly. We must specifically analyze such reasons. In his speech entitled "The Present Situation and the Tasks Before Us" in 1980, Comrade Xiaoping pointed out: "A few small low-wage countries and regions have found it relatively easy, for a limited time, to penetrate the world market with cheap products, because certain large developed countries, acting in their own interests, have assisted them with funds and technology. In these situations the capitalists have released a small part of their huge profits to the workers in these places, whose standard of living has apparently improved quite rapidly. For a large socialist country like China, however, no such 'shortcut' is possible." Since the war, a number of small countries and regions have obtained large loans from the occupation countries and developed quite rapidly. However, China, with a population of 1 billion, will not be able to survive by relying on the economic support of any one of the big countries.

Our country can be compared with others if we single out small regions with fairly good conditions and conduct analysis independently. For example, we may single out Shanghai or certain areas in south Jiangsu or the Zhujiang Delta, while taking into consideration their contributions to the country. Some people abroad say: Taiwan should not compare itself with the entire mainland but with small areas such as Shanghai. At the same time, it should make a comparison only after considering such factors as the tremendous amount of U.S. aid to Taiwan, Shanghai's support to the whole country, and so on. They believe that Taiwan cannot win if comparison is made like this. This kind of view is quite right. As far as the way to run a country is concerned, running a nation with a population of 1 billion is different from running a small country or a small region in terms of quality. Some foreign statesmen say: Only China knows the art of running a large country with a population of 1 billion. No other country knows.

Only the other large country in Asia has national conditions similar to China's. It has followed the capitalist road after its independence. Britain and the United States have provided it with aid, and the Soviet Union has also given it aid. The international environment is advantageous to it, and its per capita arable land is much larger than that of China. However, it remains a developing country in which a large number of people are hungry, turmoil prevails, and many problems plague the society.

Its national conditions are quite similar to those of China. It has conditions comparable to China's. It follows the capitalist road, while we take the socialist path. A comparison between the two fails to prove that the capitalist system is better than the socialist system.

Some people refuse to make such a comparison, but insist on comparing China to the United States. This kind of ideology is unscientific.

More than 100 countries in the world implement the capitalist system. However, only 10 to 20 countries are well developed and rich.

The great majority of nations are not well developed. For example, a number of African and Latin American countries using the capitalist system are developing countries. Everyone knows this.

In short, there are only a few countries in the world today that truly practice socialism, while an overwhelming majority of countries practice capitalism. In the capitalist world, only a handful of countries are truly economically developed. Their economic development is a result of various complex historical reasons. It does not show that they have a predominant social system.

Although China lags behind some developed countries in economic development, it nevertheless has not experienced polarization. Except for a few areas, the people have more than enough to eat and wear. Besides the people having become the masters of their own affairs, the fact that people generally have more than enough to eat and wear is something that no other administration could possibly have achieved in the past 100 years of China's history.

If China does not practice socialism, serious polarization in society will unavoidably appear. Money will flow into the pockets of a few people, while the overwhelming majority will live in strained circumstances. Some of them will roam the streets. In the meantime, the country will also regress to a semifeudal and semicolonial society.

In his speech entitled "Uphold the Four Cardinal Principles," Comrade Deng Xiaoping pointed out: "In the first place, socialism and socialism alone can save China — this is the unshakable historical conclusion that the Chinese people have drawn from their own experience in the 60 years since the 4 May Movement. Deviate from socialism and China will inevitably regress to semifeudalism and semicolonialism. The overwhelming majority of the Chinese people will never allow such a regression." This is absolutely not alarmist talk.

Owing to China's weak foundation, large population, and backward economy, foreign capital from developed economies would rapidly enter China's market and China's national economy would soon be destroyed, once it abandons the socialist system. If China is brought into the capitalist system and economically controlled by others, it will inevitably be controlled by others in political affairs. It will be impossible for China to remain independent in foreign affairs. This is something we have learned from history. We are able to remain independent in the jungle of the world and win respect of all the people throughout the world precisely because we practice socialism. Our economy based on public ownership has held sway (while we permit the existence and development of a diversified economy). Our country has remained strong and independent in political and military affairs. Currently, everyone has enough to eat and the people lead a stable life, although our current national income is not very high. The situation will only become better and better and the development will become quicker as long as we follow the current path in carrying out reform. Everyone can see that many countries practicing capitalism are poor and plagued by chaos with one political coup after another. If China is controlled by developed capitalist countries, there will certainly be internal turmoil. Since China is a big country that no one single capitalist country can completely control, all the capitalist countries would want to have a share in China and carve out their sphere of influence through their agents in China. Now, there are people who deliberately seek to have their words and deeds broadly publicized in the world through foreigners, hoping that foreign countries will express "concern" for China's "democracy and freedom."

If these people were really in power, they would seek collusion with foreign forces and seek to control China. There would be different blocs of foreign forces, and China would again be divided. How can we forget the results of such a historical lesson that happened in China before!

To sum up, the capitalist road is not feasible in China. We can neither transport the Soviet model nor return to the old path before the 3d Plenary Session of the 11th CPC Central Committee. China can only take a socialist road with Chinese characteristics.

Of course, we should emulate all the experiences of other countries in the world that are useful to our construction. However, our emulation of capitalist countries' technology and management in certain areas should never become a matter of worshiping capitalism and tolerating capitalist corrosion lest we will lose our national pride and confidence. A scholar of Chinese ancestry said: I hope China will never follow Taiwan's path or act like Taiwan in achieving modernization. Its economy is virtually controlled by foreign countries.

In short, the arguments that China should be completely Westernized can only impair our national integrity and morale.

We Can Only Revitalize China by Earnestly Working Hard [subhead]

It is understandable that people today are eager to see faster construction and reform so that they can benefit from them more quickly.

We must point out that following the adoption of the policies for reform and opening to the outside world since the 3d Plenary Session of the 11th CPC Central Committee, China's economy has been enlivened and the people have already received substantial material benefits. The problem of feeding and clothing 800 million peasants has been basically resolved. Compared with before, people's food, clothing, and other daily necessities, as well as housing, have been greatly improved. The improvement of our situation today simply cannot be compared with that of 8 years ago. Although their income has multiplied several times, some people are still dissatisfied, thicking that reform has not really benefitted them and that the pace of reform is still too slow.

We have to make two things clear here.

First, China must proceed earnestly and work diligently in achieving its four modernizations. Since we have a weak economic foundation to start with and our educational, scientific, and technological development is fairly backward, we must go through a process of working hard. We are also against the viewpoint that China should become a so-called welfare state because this is impossible. Our livelihood can only be gradually improved after production has been developed. While it is wrong not to improve our livelihood after production has been developed, it is also wrong, and also impossible, to improve our livelihood before production has been developed. When we work harder and receive more, we also have to consider the needs of the entire state and our neighbors. Our steps in resolving such issues must be firm, and we must properly guide the masses. By no means should we make promises or agitate the masses irresponsibly.

In terms of absolute quantity, some things in China cannot be regarded as small in number, but in terms of population they are small in quantity.

This is also a characteristic of our big country. Take coal for instance. The United States produced 930 million tons of coal in 1985, and the Soviet Union turned out 720 million. Our coal output reached 870 million tons. In terms of absolute quantity, this figure is not small. However, our per capita output in this regard is much smaller in quantity than theirs. Take steel output for example: Japan's per capita steel output is about 1 ton, and it is about 0.5 ton in the United States and the Soviet Union. In many European countries, such as France, Britain, and West Germany, per capita steel output is about 0.5 ton. Luxembourg has a population of a little over 300,000 but produces more than 3 million tons of steel, averaging 10 tons per capita. If we want to reach the goal of 0.5 ton of steel per capita, we will have to produce 600 million tons of steel by the end of this century even if our population is only 1.2 billion. This will not be possible, nor will it be necessary. If we can produce 100 to 200 million tons of steel, then our steel output will average 1 ton for every 6 to 12 persons. On the other hand, in terms of population, our output is small in quantity; but because our country is big, its strength is considerably solid. All this shows that a big country is different from a small one and that one should not draw a simple analogy between them. If each of our I billion people saves or wastes a little, that figure will be very large. To reduce the distance our country has lagged behind other countries during the past century and more, we must be determined to work hard for a long time to come. In a fairly long period to come, we cannot but encourage people to do pioneering work with painstaking efforts.

It is a fact that at present, socialist China still cannot reach developed capitalist countries' standards economically and technologically. As has been said, this is not because of the socialist system. The socialist revolution and construction has narrowed the gap between our country and developed capitalist countries in economic development. Viewed from many aspects, the ranking of our country in the world is continuously moving up. For instance, our country's ranking has moved up from 26th to 4th in steel output and from 27th to 6th in crude oil. We have committed some mistakes, but we have made progress in the past 30-odd years which old China had not been able to make in hundreds or thousands of years. Historically speaking, it is not at all surprising that we have made mistakes in work. There have also been major reversals as well as twists and turns in the development of capitalist countries with a long history of feudalism, such as Britain, France, Germany, Italy, and Japan. Counterrevolutionaries staged a comeback in both Britain and France, and fascists ruled Germany, Italy, and Japan. Capitalism has a history of several hundred years, but it can in no way free itself from the grabbing of superprofits by insatiably avaricious millionaries, exploitation, and plunder, and it cannot cultivate common ideals and morality or avoid extremely serious crimes, degeneration, and desperation. We should introduce the progressive and useful things of capitalist countries to our people. especially to our young people, but we must also resist capitalist reactionary and decadent things. There are also some practices, such as high consumption, that are suited to their conditions but not to ours. We should not imitate them blindly. Our socialist construction must go through a process of pioneering work with painstaking efforts. It is not realistic to attempt to catch up with developed capitalist countries in daily life and consumption in a very short period of time and to think all day about high-grade consumer goods instead of concentrating one's energies on pioneering work, and this is not suited to the current situation in the development of production.

Second, reform is quite complicated, and it is a process of making progress step by step. We should not place overly high expectations on it. Some socialist countries started to carry out reform earlier than our country, and some of them hold that we have carried out reform faster and made greater achievements than they have.

They have not yet been able to solve some of the problems which we have already solved. China should take the socialist road with its own characteristics. We have gained a clear understanding of some things but are exploring others. Mistakes may also be made in this process of exploration. In terms of major and long-term interests, some measures are reasonable, and they affect the immediate interests of some people. It is understandable that some people are dissatisfied with the measures or even complain about them. But we should do a good job in propaganda and clearly explain to them why such measures have been taken, what their advantages are, and what would happen if they had not been taken. Such explanations should be done in the interests of the whole. Reform is a task for the whole nation, and it must be understood by the whole nation. We have a lot to do in this regard. In particular, political structural reform is a new matter, and a full study should be made of how this reform should be cerried out. Acting in great haste will not succeed.

Similarly, democracy must go through a gradual process. Without democracy, there will be no socialism or socialist modernization. However, a democracy and modernization must also be accomplished step by step. It is without a doubt that when socialism has become more developed, so will our democracy. However, it is unrealistic to expect a perfect democratic system overnight.

A Stable and Unified Political Environment Is Essential for Reform and Opening to the Outside World, and Nothing Can Be Accomplished Without Such an Environment [subhead]

Comrade Xiaoping said 7 years ago: "Without a stable and unified political situation, we cannot set our mind on construction. This has been proven by the experience gained during the past 20 years and more.... The present stable and unified political situation, which has not come easily, has not been fully consolidated, and there are still factors of instability coming from various quarters. We must share the responsibility of preserving, safeguarding, and developing this stable and unified political situation."

To ensure stability and unity, we must strengthen party leadership, without which there will certainly be great chaos and the nation will be disintegrated. Old China used to be called a state of disunity. The warlords, with each dominating his own region, fought among themselves for years and no one could control the other. During Kuomintang rule, the country was also not really unified since Shanxi, Guangdong, Guangxi, and Sichuan were virtually separate states. This state of disintegration did not end until the CPC became the ruling party. During the 10 years of internal turmoil, people kicked out the party committees to make revolution. People saw clearly that, during that so-called "revolution," nearly all units were divided into several factions, and the rivalry and scrambling among the great number of factions in the country inflicted serious damage to the country. If we allow the people to kick out the party committees to make revolution today, it will certainly wipe out the four modernizations. This is an objective truth that has been proved by actual experiences. China's experiences accumulated from the past nearly 70 years after the 4 May Movement have proven that, without CPC leadership, there will be no socialist system, no national unification, no unity among the people, and no prosperity in our motherland. Now, some people have again tried to reinstate the things people did during the tumultuous decade, and if we turn a blind eye to them, do not resist and oppose them by taking a clear-cut stand, and permit them to develop unchecked, then, because of their harassment, our party and government organizations at all levels will not be able to function, and the stable and unified situation will be undermined. Under such circumstances, how can they pay any attention to reform or the four modernizations?

Stability and unity and liveliness are two sides of a coin under the socialist system. Fundamentally speaking, they should promote one another instead of pitting one against the other. If there are any contradictions between them on certain issues under certain situations, then we should ensure liveliness under the condition that it does not obstruct stability and unity so that everyone can proceed orderly. Under our country's current situation, we can hardly speak of any economic contruction, reform, opening to the outside world, democracy, and "double hundred" policy if there is no stability and unity.

During the several thousands years of human history, China has ranked among the world's most advanced countries most of the time. It did not lag behind until about 100 years ago. Today, we should strive to catch up and build our country into a stronger one by displaying the spirit of defying hardship and wiping out national humiliation. As long as we uphold our socialist system and preserve the stable and unified environment under CPC leadership, China certainly can catch up with the advanced countries of the world. In the year 2000 when China is comparatively well off, when we look back, more people will uphold their faith in socialism's superiorities, which will be even more pronounced by that time.

RENMIN RIBAO COMMENTATOR ON 'TOTAL WESTERNIZATION'

HK120454 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Jan 87 p 1

[Commentator's article: "'Total Westernization' Means Total Repudiation of Socialism"]

[Text] To think that in the second half of the 1980's in China when the Chinese people, under the CPC's leadership, have achieved success in building a modern socialist country — success that has attracted worldwide attention — some people have the impudence to bring up the old slogan of "total Westernization." This can only be regarded as daydreaming. However, because there are people bringing up this slogan, we have the responsibility to clarify it.

What does "total Westernization" mean? To use its advocates' own words, it means that "everything in the West, including its science, technology, culture, politics, ideology, and ethics, as well as our political system and the system of ownership is fair game for inquiry." How did the advocates arrive at this conclusion? The advocates also have an unequivocal answer. To them, "as far as the socialist system is concerned, what we have done in the past 30 years is a failure."

These words clearly and unmistakably tell us that what they call "total Westernization" means total repudiation of the socialist system and total implementation of the capitalist system in China. Do you want to know about bourgeois liberalization? This is a typical argument for bourgeois liberalization.

The Chinese people's choice of a socialist course has been tested by the events taking place in two historical periods, and has proven to be the only correct choice. The first historical period is the period of democratic revolution. Before Marxist socialist theory was introduced to China, many people with lofty ideals had tried to seek effective ways from the Western capitalist world for delivering the Chinese nation. All their efforts came to no avail and ended in failure. Comrade Mao Zedong had a vivid depiction of events taking place in this period in his "On People's Democratic Dictatorship." The victory of the new democratic revolution led by the Chinese Communist party in 1949 has virtually proven the thorough bankruptcy of the proposed establishment of a bourgeois republic, and that the socialist course is the only choice for China.

The second historical period is the 37 years-plus since the founding of the People's Republic of China. Although our socialist path has not been a smooth one, no one can deny our nation's becoming stronger and more prosperous, the stability of our society, our economic development, the improvement of 1 billion people's livelihiood, and the enhancement of our international status. None of these could have been achieved without our socialist system, with the CPC's leadership. Today, when the socialist system has been firmly rooted in the Chinese soil, bringing up again the idea of "total westernization" can only disturb the thinking of some young people who do not understand modern Chinese history and lead them astray. No Chinese with pride and confidence and who has respect for history and the facts will ever endorse the idea of "total westernization."

Undeniably, our party has made some mistakes in the socialist period, but this will not help those who favor "total westernization." As everyone knows, it was our party itself that stood up to correct its own mistakes, summed up past experience and lessons, and laid down a series of policies of reform and opening to the outside world, which have brought about universally acknowledged results. All this has proven that the socialist system suits conditions in China and has great vitality. Preaching "total westernization" is nothing but turning back the wheel of history.

Some comrades worry whether repudiating "total westernization" will affect the implementation of our policy of opening to the outside world. Such worry is unnecessary. Opening to the outside world and "total westernization" are two entirely different matters. As the "Resolution on the Guiding Principles for Building Socialist Spiritual Civilization" adopted at the 6th Plenary Session of the 12th CPC Central Committee points out: Opening to the outside world is a basic, unalterable state policy. We should learn from all countries, including the developed capitalist countries, to acquire advanced science and technology, universally applicable expertise in economic management and administrative work, and other useful knowledge, and to verify and develop in practice what we have learned. However, we resolutely reject the capitalist ideological and social systems that defend oppression and exploitation, and we reject all the ugly and decadent aspects of capitalism. "Total westernization" completely violates this basic spirit of the policy of opening to the outside world. Therefore, repudiating the argument for "total westernization" will guarantee the correct implementation of the policy of opening to the outside world.

Which road will China take? "total westernization," that is, capitalism, or socialism with Chinese characteristics? The answers of the overwhelming majority of the people of our country are unanimous and firm. The vast numbers of party cadres and people did not waver in their faith in the party and socialism even when Lin Biao and the "gang of four" ran amok during the 10-year turmoil. Now, after 8 years of practice since the 3d Plenary Session of the 11th CPC Central Committee, the superiority of socialism has become increasingly clear. The entire party and the people throughout the country have more faith in the future of their socialist motherland. The old tune of "total westernization" can stop now.

WORKERS MUST VIEW 'LIBERALIZATION' AS ENEMY OF CPC

OW100834 Beijing XINHUA in English 0817 GMT 10 Jan 87

[Text] Beijing, January 10 (XINHUA) -- Today's "WORKERS' DAILY" calls on the working class to become the main force in combatting "bourgeois liberalization".

Luo Gan, vice-president of the All-China Federation of Trade Unions, is quoted as saying that trade union leaders must take a firm stand to resist the ideological trend of "bourgeois liberalization" and trade unions must lead workers and staff to uphold and develop the current situation of stability and unity.

"Bourgeois liberalization", according to a resolution adopted at the Sixth Plenary Session of the Chinese Communist Party 12th Central Committee last September, in essence means rejecting the socialist system in favor of capitalism.

The trade unions must help spread the importance of the four cardinal principles referring to adherence to the socialist road, the people's democratic dictatorship, the leadership of the Chinese Communist Party, and Marxism-Leninism and Mao Zedong Thought, Luo said. The unions were urged to combat bourgeois liberalization while collecting opinions of workers and staff and helping them solve practical problems.

In addition, today's "CHINA EDUCATION" newspaper carries an editorial calling on students to understand the dangers of bourgeois liberalization and "GUANGMING DAILY" today urges people to approach and solve problems in line with conditions in China.

EDUCATION PAPER BLAMES LIBERALS FOR UNREST

OW101257 Beijing Democratic Service in Mandarin 2230 CMT 9 Jan 87

[Excerpts] ZHONGGUO JIAOYU BAO [CHINA EDUCATION PAPER] on 10 January carries an editorial entitled: "Make a Clear Break With Bourgeois Liberalization." The editorial says: For quite a while, the ideology of bourgeois liberalization has run wild. What merits our attention is that some people who advocate bourgeois liberalization have used schools to confuse right and wrong, negate the current excellent situation and the line, principles, and policies formulated since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, and smear our party and the socialist system. They have openly called for promoting total Westernization and incited students to practice great democracy in order to forment discord among the people. [passage omitted]

Recently, a small number of students were influenced by erroneous views and took radical action. The students' concern for our country's current reform of the economic and political structures is quite natural because the work is closely linked to the face of all Chinese people, including students. Our party and government also encourage students to care about state affairs. [passage omitted]

Currently, the most important thing is to make a clear break with bourgeois liberalization. The resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee pointed out: Bourgeois liberalization means negating the socialist system in favor of capitalism. Those advocating bourgeois liberalization have spread various views against the four cardinal principles to students and have incited them to practice great democracy. To put it bluntly, their purpose is to eliminate the leadership of the Communist Party and socialist system and lead China to the capitalist road.

In conclusion, the paper says: Our party has a good understanding and full confidence in the students. We always believe that the overwhelming majority of students are good, including those who, for the time being, have an erroneous understanding of some questions. Students are the future hope of our country.

Party and government cadres at various levels and teachers of various schools must enthusiastically show concern for the students' healthy growth, make great efforts to help them draw a clear line of demarcation with bourgeois liberalization, and enable them to temper themselves into successors, firmly taking the socialist road.

GU MU STRESSES CONTINUATION OF 'OPENING UP' POLICY

HK110648 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1530 GMT 8 Jan 87

[Text] Harbin, 8 Jan (ZHONGGUO XINVEN SHE) — Carrying out the State Council's regulations encouraging foreign investment in China without hesitation is a matter of primary importance in China's current reform. Success or failure hinges on this one action. This will exert a great influence on the course of China's reform. State Councillor Gu Mu made these remarks here at the Heilongjiang provincial forum on foreign investment when he talked with some Chinese entrepreneurs. He also said: Some people have started again to doubt China's resolve to open up to the outside world and its preferential policy of attracting foreign investment. However, in fact, our resolve remains unchanged and our policy remains unchanged.

When listening to the difficulties of Chinese-foreign enterprises due to lack of decisionmaking power as explai at the meeting by Liu Deshan, general director of the Longtai Electronics Industrial Company Limited of Heilongjiang Province, Gu Mu said enterprises run exclusively with foreign investment and Chinese-foreign enterprises in China should enjoy full decisionmaking power — this is defined by the State Council. Some people know that China has laid down rules and regulations to attract foreign investment, but they cast doubts on our resolve and action, and even doubt whether China will continue opening up to the outside world. As a matter of fact, we are working hard in this line of work.

Gu Mu also said: The State Council has set up a special organ in charge of Chinese-foreign enterprises and enterprises run exclusively with foreign investment on a trial basis and is making experiments in Qingdao and Yantai. The investment climate there is improving, with fewer reports to the higher authorities and more decisionmaking power granted.

He stressed: In carrying out the State Council's regulations on attracting foreign investment, we must have a sense of urgency. It is now time to attract foreign investment because the international situation is very favorable, and it is also not difficult to introduce modern technology from abroad. He said: "Do not miss the opportunity. We must make a greater step forward in this field."

Gu Mu also pointed out: Absorbing foreign investment funds and introducing technology and advanced management methods from abroad will give a great impetus to our economic reform and is of great significance for getting rid of bureaucratic practices, improving work efficiency, and blazing a new trail. Of course, "we still have a lot of arduous work to do in this aspect."

FUJIAN, SICHUAN AUTHORITIES SMASH KMT SPY RING

OW100148 Beijing XINHUA in English 0126 GMT 10 Jan 87

[Text] Beijing, January 10 (XINHUA) -- The Ministry of State Security announced here that Fujian and Sichuan state security forces have uncovered a Taiwan spy case, which involves a gang of Kuomintang agents plotting to carry out terrorist activities on the mainland.

CHINA

A spokesman for the ministry said that they were caught while attempting to carry out their planned activities, and evidence uncovered so far against Yang Bing and his gang include two fast-speed radio transmitter-receivers, four pistols, 140 rounds of ammunition and other equipment as well as funds for carrying out spy activities.

Upon instructions of Taiwan's "Military Intelligence Bureau", Yang Bin repeatedly sneaked into some coastal areas in Fujian Province in the capacity of a shipowner from Taiwan and managed to recruit four people and rig up a gang named by the "Military Intelligence Bureau" as "Work Station No 2726".

The four include Cheng Nengxin, a smuggler being pursued by police, and Lin Fengmei, a convicted smuggler away from prison on bail for medical treatment. The other two are Chen Liangquan, a resident in Fujian's Fuqing County, and Xu Hansheng, a staff member of a trade company in Chongqing, Sichuan Province.

Chen Liangquan was appointed leader, and Chen Nengxin, deputy leader, of the station, which was instructed to carry out assassination, demolition and other terrorist activities while collecting intelligence.

And for several times, the ministry spokesman said, the gang were secretly transported to Taibei (Taipei), where they received training in demolition, shooting, intelligence collection and radio communications and making crude time bombs.

While there, he added, they were received by Lu Guangyi and other leaders of the "Military Intelligence Bureau".

The gang purchased a boat, established a hideout and erected the transmitter-receiver stations. They were arrested while attempting to carry out the planned activities.

The spokesman said that the spy case was uncovered with the support of the armed police forces in Fujian Province and cooperation of local people.

CPC ORGANIZATION DEPARTMENT MEETS ON CADRE SELECTION

SK120427 Jinan Shandong Provincial Service in Mandarin 2300 GMT 11 Jan 87

[Text] The Organization Department of the CPC Central Committee recently held a national coordination meeting in Jinan to discuss new methods for cadre's selection, appraisal, and cultivation.

The meeting participants maintained that since the 3d Plenary Session of the 11th CPC Central Committee, all localities have conscientiously studied and beneficially explored new methods and the related theories on selection, appraisal, and cultivation of cadres, and have scored some encouraging achievements. Further developing this work will help us perfect work procedures and form a new work system and will provide effective scientific methods and measures for improving the cadre system.

The meeting participants stressed: In the study of new methods and topics on the cadres' work, we should proceed from reality, pay attention to their practical use, and combine the three fields of work — combine the efforts of the organization and cadre departments with that of the relevant scientific research departments, the fine traditions of our organizational work with the present scientific knowledge, and the practical tasks concerning the work of cadres with the theoretical and scientific research tasks.

The meeting also specifically studied and mapped out plans for building the third echelon this year.

STATE COUNCIL APPOINTS, REMOVES OFFICIALS

OW121048 Beijing XINHUA Domestic Service in Chinese 0751 GMT 12 Jan 87

[Text] Beijing, 12 Jan (XINHUA) -- The State Council appointed and removed some personnel of state organs on 22 November and on 9 and 26 December 1986.

He Guangyuan [0149 0342 6678], Tang Zhongwen [0781 0112 2429], Li Shouren [2621 1343 0088], and Ding Xiaonong [0002 1321 3426] were appointed as vice ministers of the State Machine Building Industry Commission; Zhou Zhengqing [0719 2973 1987] as vice president of the People's Bank of China; Shi Dazhen [0670 1129 2823] as vice minister of water conservancy and electric power; and Song Muwen [1345 2606 2429] as director of the State Publications Bureau.

Zhao Qingfu was removed from the post of vice minister of water conservancy and electric power. Song Muwen was removed from the post of vice minister of culture.

'SPARK PLAN' PROJECTS BEGIN TO SHOW RESULTS

OW111649 Beijing XINHUA in English 1542 GMT 11 Jan 87

[Text] Beijing, January 11 (XINHUA) — The sparking plan inaugurated by the State Science and Technology Commission earlier last year to help lift the rural economy has found its fruition throughout the country. Statistics released by the commission recently show that the more than 4,000 projects started this year will have yielded an estimated return of 10 billion yuan (2.7 billion U.S. dollars) within two years, five times as much as the money that was put in. The program is designed to bring practical technology to the countryside to help local industry and agriculture to develop and peasants to get prosperous quickly.

Zhejiang Province reported that under the sparking plan the province developed a new oral liquid with pollen which had not been fully used and the product was exported the very year it was produced last year.

Northeast China's Jilin Province introduced ll items of practical technology to develop ginseng production and as a result, ginseng output soared and all ginseng growing peasants have got prosperous.

The stated allocated 80 million yuan (21.6 million U.S. dollars) together with 300 million yuan (81 million U.S. dollars) in loans to fund the projects initiated under the sparking plan. Local governments also raised 1.9 billion yuan (513 million U.S. dollars) to support the plan.

More than 1.05 million people in rural areas have been trained to master one or two skills, nearly 750,000 more than planned, according the State Science and Technology Commission.

The plan has attracted the attention of experts from 12 foreign countries or international organizations. Many have expressed the intention to cooperate with the Chinese Government in executing the sparking plan.

FUJIAN COMMENTARY AGAINST BOURGEOIS LIBERALIZATION

OW112038 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 10 Jan 87

[Station commentary: "Recognize the Danger, Launch a Resolute Struggle -- On Opposing Bourgeois Liberalization"]

[Excerpts] Recently in several cities across the nation, a few students took to the streets to stir up trouble. This has a great deal to do with the current rampaging ideological trend of bourgeois liberalization. A vast number of teachers and students in our province's universities and colleges are able to distinguish between right and wrong and to safeguard the situation of stability and unity. The overall situation is good. The whole province is stable. However, we must not let ourselves be lulled into neglecting the influence of and lowering our guard against the ideological trend of bourgeois liberalization.

The reality is that there are indeed a few people preaching bourgeois liberalization among us. They advocate wholesale westernization and have spread the stuff of bourgeois democracy. They want to negate the principle of Marxism and replace the socialist legal system and discipline with abstract human rights and freedom. Wishing to see the world plunge into chaos, they have carried out demagogic propaganda to oppose the four cardinal principles and have spread extremely erroneous ideas to abolish the party's leadership and socialism. Yet some of our comrades have turned a blind eye and failed to take a clear-cut stand to resist and oppose these people. Despite the extremely small number of people preaching bourgeois liberalization, their impact, particularly their role in poisoning young people, cannot be overlooked. [passage omitted]

Bourgeois liberalization is an extremely erroneous ideological trend. It corrupts and poisons people, undermines stability and unity, disrupts our reform and open policies, and obstructs our modernization efforts. Opposing bourgeois liberalization is both an urgent and long task. It bears on the party's future, the future of socialism, and the success or failure of our overall reform program and open policies. Therefore, all party and CYL members and cadres, particularly leading cadres at all levels, must stand in the van and keep a clear head with a clear-cut stand in boldly and resolutely upholding the four cardinal principles and resisting and opposing bourgeois liberalization.

FUJIAN SECRETARY AT XU XIANSHI MEMORIAL SERVICE

OW091317 Fuzhou FUJIAN RIBAO in Chinese 21 Dec 86 p 1

[Excerpts] Comrade Xu Xianshi, vice chairman of the 5th Committee of the Fujian Provincial CPPCC Committee, member of the Central Committee of the Chinese Kuomintang Revolutionary Committee, and chairman of the Fujian Provincial Committee of the Chinese Kuomintang Revolutionary Committee, died of illness at 1000 on 14 December 1986. He was 91. A memorial service for him was held in Fuzhou yesterday afternoon. [passage omitted

Condolence messages and wreaths were received from Comrades Peng Chong, Ye Fei, Qu Wu, Zhu Xuefan, Pei Changhui, Qian Changzhao, Zheng Dongguo, Jian Yibin, Hou Jingru, Sun Yueqi, Zhao Zukang, Xu Qichao, Peng Qingyuan, Li Gangliu, Liao Zhigao, Xiang Nan, Lu Jiaxi, Liang Lingguang, Lin Yixin, Liu Xiude, Ni Nanshan, Guo Liang, and Yang Wenwei. [passage omitted]

Attending the memorial service were comrades Chen Guangyi, Hu Ping, Jia Qinlin, Hu Hong, Cheng Xu, Zhang Yumin, Gao Hu, Zhang Kehui, Yuan Qitong, Lin Zhaoshu, Wang Yan, Guo Ruiren, Wen Xiushan, Kang Beisheng, Wang Zhi, Liu Yongye, Huang Changxi, Chen Binfan, Chen Xizhong, Jiang Xuedao, Ni Songmao, Zhao Xiufu, Chen Yangzeng, Xu Jimei, Wu Hongxiang, He Minxue, Jia Jiumin, and Lu Tao; leading members of the relevant provincial departments, committees, commissions, bureaus, democratic parties, and mass organizations; and cadres of provincial organizations, as well as cadres of Minqing County and relatives and friends, totaling more than 400 people. [passage omitted]

Yuan Gai, chairman of the Fujian Provincial CPPCC Committee, made a condolence speech at the service. [passage omitted]

NANJING ISSUES MEASURES TO CONTROL DEMONSTRATIONS

OW101315 Nanjing XINHUA RIBAO in Chinese 29 Dec 86 p 1

[Text] The 28th Session of the 9th Nanjing People's Congress Standing Committee held yesterday examined the "Proposal for Drawing up Relevant Regulations Governing Parades and Demonstrations in Nanjing," put forward by Diao Jiaxiang and 14 other members. The session decided that, in accordance with provisions in the Constitution and other laws, and in the light of Nanjing's actual situation, the municipal government should draw up measures for controlling parades and demonstrations in order to safeguard citizens' legitimate rights to parade and demonstrate, maintain public order, consolidate and develop the stable and united political situation, and ensure the normal progress of reform and construction.

Nanjing Municipal Public Security Bureau's Measures for Controlling Parades and Demonstrations

(Approved by the municipal people's government)

To safeguard citizens' legitimate rights to parade and demonstrate, maintain public order and control traffic, the following measures have been drawn up in accordance with provisions of the Constitution of the People's Republic of China and other relevant laws, and the deciaion of the 28th Session of the 9th Nanjing Municipal People's Congress Standing Committee, as well as in light of Nanjing's actual situation.

Article 1. This bureau protects parades and demonstrations held by citizens according to law.

Article 2. Five days before parades and demonstrations are scheduled to be held in streets or public areas in Nanjing, their organizers or leaders should submit a written application to this bureau, bringing along with them adequate certificates to prove their identity. They should state the purpose, number of participants, date, location, routes, time of commencement and completion, and security measures relevant to the parade or demonstration.

Article 3. Beginning from the day after receiving the application for holding parades or demonstrations, this bureau shall, within 3 days, make a decision to approve or dismiss the application. If the application is approved, this bureau will issue a written, nonreusable notice. [paragraph continues]

Meanwhile, according to the need to maintain traffic flow and public order, it may alter the time, location, and routes stated in the application, and request an amendment accordingly. Parades and demonstrations are not allowed at terminals, piers, areas surrounding an airport, and major public squares.

Article 4. Parades and demonstrations must be conducted according to the number of participations, location, date, the times of commencement and completion, and the routes approved by this bureau. Unauthorized alternations are not allowed. The organizers and leaders of the parades and demonstrations must be responsible for ensuring order and safety. They should obey policemen's directions, and be responsible for the participants' conduct and all consequences arising therefrom.

Article 5. Participants in parades and demonstrations must observe the Constitution and other relevant laws and regulations. They must keep state secrets, protect public property, follow public order, and respect the public code of conduct. The participants shall not disturb public order, production and work, teaching and scientific research, and the people's life. They shall not do everything detrimental to state, social, and collective interests, or to other citizens' legitimate rights and interests. They are not permitted to carry with them — or use — weapons, lethal tools, inflammable materials or explosives which could jeopardize public safety. They may not stop at major thoroughfares, obstruct the traffic or stop vehicles. They may not paint, write, or carve anything along the way, or put up posters or slogans. They may not ravage parks, wooded areas, pastures, or any other public facilities.

Article 6. This bureau shall be responsible for maintaining traffic flow and public order in approved parades and demonstrations. Should the demonstrators violate their control measures, or should they cause traffic congestion or disorder, this bureau shall take the necessary measures to dissuade or stop them, terminate the process if necessary, or disband the parade and demonstration. The organizers and participants or the parades and demonstrations must unconditionally obey.

Article 7. As to organizers and leaders of parades and demonstrations violating these measures; or those who, in the process of these parades and demonstrations, resort to violence to resist and obstruct state personnel from executing their duty according to law; or those who commit other lawless conduct or crimes, the public security organs may, according to the seriousness of the case, summon and interrogate these people, charge them to compensate for any losses incurred, or penalize them. They may even refer the case to judicial organs to have criminal responsibility investigated.

Article 8. Any mass meeting held at main thoroughfares or public squares shall be handled in accordance with these control measures.

Article 9. These control measures are applicable to Chinese citizens and foreign nationals living in Nanjing. Specific issues regarding the application of these measures shall be explained by this bureau.

Article 10. These control measures become effective upon promulgation.

[Dated] 28 December 1986

NANJING RADIO NOTES CULTURAL REVOLUTION TRICKS

OW100235 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 8 Jan 87

[Station commentary: "Realize the Serious Consequences of Bourgeois Liberalization; Adopt a Clear-Cut Stand in Upholding Four Cardinal Principles"]

[Text] Cadres and masses throughout the province are currently studying the RENMIN RIBAO New Year's Day message and the editorial entitled "Take a Clear-Cut Stand in Opposing Bourgeois Liberalization." They are also studying important theses such as Comrade Deng Xiaoping's exposition on upholding the four cardinal principles; getting a clear understanding of the serious harmful effects of bourgeois liberalization; and further heightening their awareness in holding fast to the four cardinal principles. A number of students are also doing some hard thinking about the demonstrations they have staged.

All this indicates that the people of all walks of life in society cherish the situation of stability and unity, and oppose disturbances. Popular opinion is for stability. This reflects the aspiration of all the people of the country. We must adopt a clear-cut stand in dealing with bourgeois liberalization. We must not waver on this basic issue under any circumstances.

A handful of people have taken advantage of the people's enthusiasm for reform and have misled the public in a vain attempt to create a chaotic situation and promote bourgeois liberalization. Their aim is to break away from the party's leadership, negate the socialist system, and adhere to the capitalist system. What this all means is the negation of the four cardinal principles which are regarded by the party and the people as being essential for building the country.

This is a serious issue. If the trend is allowed to spread unchecked, it will definitely undermine stability and unity; interfere with the policy of carrying out reform and opening to the outside world; and prevent the four modernizations program from making progress.

Some people are bent on promoting so-called extensive democracy. They have even adopted drastic measures, saying democracy means doing whatever one likes. The old tricks of the Cultural Revolution, such as overthrowing everything and making trouble, are once again being played. Is this not the resurgence of ultrademocracy and anarchism?

What we need is socialist democracy, not bourgeois democracy. We are promoting socialist democracy. Therefore, we must have the conditions for promoting socialist democracy. If we do not observe any laws or do whatever we like, as we did during the Cultural Revolution, then there will be no protection of the people's life and property. Howe can we talk about stability and unity and about democracy?

Also, some people have loudly chanted about freedom, saying the socialist system has hampered their freedom. They willfully smear the party and the socialist system and seek to do whatever they want. Apparently, they want so-called democracy and freedom in an effort to prevent China from following the socialist path. They seek to practice captialism on China's vast territory. This will completely negate the four cardinal principles upheld by our party and the people. This runs counter to the interests of the people and to the general trend of history. It is opposed by the people.

It should be realized that only a handful of people seek to promote bourgeois liberalization. However, we should not ignore the harmful effects of bourgeois liberalization simply because the number of such people is limited. The ideological trend of bourgeois liberalization which they have developed has already harmed our cause. We should no longer ignore this trend or remain indifferent to it. We must adopt a clear-cut and firm stand in opposing this trend and help our cadres, especially leading cadres, correctly analyze the situation; remain sober-minded at all times; and understand that this struggle affects the destiny of our party and the future of socialism and determines the success or failure of the policy of carrying out reforms and opening to the outside world. We must adopt a firm and clear-cut stand in upholding the four cardinal principles and combating bourgeois liberalization.

JIANGSU REPORTS ECONOMIC GROWTH IN 1986

OW101453 Beijing XINHUA in English 1317 GMT 10 Jan 87

[Text] Beijing, January 10 (XINHUA) -- The total industrial and agricultural output value of Jiangsu Province topped 142.6 billion yuan in 1986, registering a 12.2 percent increase over 1985, today's "PEOPLE'S DAILY" reported.

The paper said revenues in 1986 for the east China province increased by 4.8 percent over 1985, adding that "this was a good beginning to the Seventh Five-Year Plan (1986-1990)."

The total industrial output value reached 98 billion yuan, ranking first among China's 30 provinces, municipalities and autonomous regions, reporting a 13.7 percent growth over 1985. "It is not easy to maintain the growth of previous years which amounted to a 31 percent increase in 1985 and 23 percent in 1984," the paper said.

Last year, the province harvested 33.30 million tons of grain, a 6.5 percent increase over 1985 and an average per capita of 534 kilograms, according to the paper.

Cotton output per hectare increased, but total output dropped due to the reduced growing acreage. The province also increased its output of oil-bearing crops, pigs and aquatic products, according to the paper.

The combined industrial and agricultural output value in Suzhou, Wuxi and Changzhou cities alone was 59 billion yuan last year, the paper said.

The province also registered a record amount of saving deposits which came to 14 billion yuan for its urban and rural residents last year, a 40.9 percent growth over 1985.

SHANGHAI 'PRO-REFORM' PAPER CEASES PUBLICATION

HK121020 Hong Kong AFP in English 0950 GMT 12 Jan 87

[Text] Beijing, Jam 12 (AFP) -- The SOCIOLOGY newspaper, one of several pro-reform publications based in Shanghai, was said in an official report received here Monday to have ceased publication.

"In order to summarize the experiences and lessons of the previous period, the editorial committee of the SOCIOLOGY newspaper has decided to stop publication for a period of adjustment and study," said a brief announcement by the newspaper's editorial committee carried in Sunday's WEN HUI BAO, the leading Shanghai daily.

The announcement told readers they could apply to the newspaper's offices for refunds on unfilled subscriptions.

Observers said the weekly's demise was the first closure of a newspaper reported since a national campaign against "bourgeois liberalism" began two weeks ago in reaction to a nationwide spate of student protests for "freedom and democracy."

Informed sources said the small, outspoken weekly had recently undergone a major shakeup after published articles allegedly supportive of "bourgeois liberalism" -- officially defined as seeking to do away with the socialist system.

The newspaper's closure indicated its shakeup was insufficient to satisfy conservative critics, and suggested that other outspoken pro-reform publications in Shanghai, the best known of which was the Shanghai WORLD ECONOMIC HERALD, were also under similar pressure, analysts said.

ZHEJIANG SECRETARY ENCOURAGES IMPROVING WORK STYLE

OW112341 Hangzhou ZHEJIANG RIBAO in Chinese 23 Dec 86 p 1

[By ZHEJIANG RIBAO reporter Yi Zhangmu]

[Excerpts] Leaders at all levels should earnestly improve their work style by carrying out the work promptly, dealing with key issues, and doing a solid job, said Comrade Wang Fang at a work meeting of the provincial party committee.

Comrade Wang Fang said: We must race against time in carrying out the work. Next year will be the second year of the Seventh 5-Year Plan, and the remaining 4 years may pass by quickly if we relax our efforts. Lack of the concept of time is our shortcoming. Many tasks that we wanted to accomplish last year are still untouched or half-way done. Despite repeated emphasis that "time is money, and efficiency is vital," we have failed to carry out the work promptly. [passage omitted]

It is necessary to grasp the key issues accurately. The party committee and the government now have many tasks to perform, and each of them is important. If we hit out in all directions or undertake all tasks simultaneously, we will be launching too many new projects at the same time. The result will be manpower and financial and material resources being dispersed. Without making proper efforts in this aspect, we will not be able to solve other problems such as excessive meetings and documents and overstaffing of offices. [passage omitted]

Comrade Wang Fang said: In doing a solid job, it is necessary to carry out the work in a down-to-the-earth manner and pay attention to actual results. It is also necessary to guard against formalism, simplify administrative procedures, and cut down excessive meetings, inspections, contests, study tours, and other unnecessary activities. [passage omitted]

ZHEJIANG ADVISORY COMMITTEE ON LIBERALIZATION

OW112014 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 9 Jan 87

[Excerpts] During the past few days members of the Zhejiang Provincial Advisory Committee held discussions at an enlarged meeting of its Standing Committee. They enthusiastically discussed issues related to the current situation, adherence to the policy of reform and opening to the outside world, upholding the four cardinal principal, and opposing bourgeois liberalization. [passage omitted]

The members are convinced that the policies adopted after the 3d Plenary Session of the 11th CPC Central Committee are right and accepted by the people judging from the progress of economic and political situation in this province. The small number of people advocating bourgeois liberalization are in fact completely negating the great achievements made after the 3d Plenary Session of the 11th CPC Central Committee and advocating all-out westernization. Their real intent is to negate the four cardinal principles. This must not be permitted. We must take a clear-cut stand and struggle against bourgeois liberalization. [passage omitted]

ZHEJIANG RIBAO URGES STUDENTS TO THINK PROPERLY

OWO90821 Hangzhou ZHEIJIANG RIBAO in Chinese 30 Dec 86 p 1

[Commentator's article: "Think Deeply and Make a Clear Distinction Between Right and Wrong"]

[Text] Being fond of thinking is a characteristic of young students, and a highly commendable one at that.

Young students are full of enthusiasm. They have vigorous minds and can think with very little restraint. Besides, they have a strong desire to aquire knowledge and a sense of responsibility for the prosperity of the country and the progress of society. Hence, they have always been regarded as a thinking generation.

In the course of our modernization drive, it is imperative that we have this spirit of thinking and a thinking generation.

History develops in the course of thinking. In old dark China, the country was undeveloped, and the people lived in dire poverty. To find a way to save our country and people, many individuals with lofty ideals thought hard and experienced extreme difficulties. After all kinds of ideas, some requiring bloodshed in order to be realized and some not, they finally found a prescription, from among others, for saving China. That is, that only Marxism, only the CPC, and only socialism can save China.

Today, if we are to make China prosperous and successfully achieve the four modernizations in our country, we also need to strive hard to find a way and to require an unremitting spirit of careful thinking. This kind of thinking involves in-depth reflection of the past. That is, we must think of what we did in the past and find out what our successes were, what our failures were, and what our experiences and lessons were. At the same time, this thinking is also an exploration of the road before us. In other words, we should think of how to speed up our progress in socialist modernization and democratization so our country will become strong and prosperous and our people affluent at an early date.

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has broken through the restriction of the "two whatevers", eliminated chaos, restored order, effected a historical shift of the focus of work, explored the way to achieve socialist modernization the Chinese way, successfully put forward the "one country, two systems" concept in solving the Hong Kong question, and so forth. All of these, without exception, are the result of historical thinking caried out by our party together with our people. Neither restriction by dogmatism nor hindrance by traditional ideas has obstructed the sharp edge of our thinking. We can say absolutely that our party and the people under its leadership deserve to be called models of bold and expert thinking.

Our ongoing economic structural reform and the reform of the political structure being deliberated are also products of thinking carried out by the party and people. Moreover, every step made in the reform requires the pooling of useful ideas and the adoption of extensive suggestions. This includes heeding the various opinions and suggestions from the young students. Even though the socialist democratic system is still imperfect in our country, everyone can see that now is the best period in Chinese history, so far as the practice of democracy is concerned. Can we ignore the facts and describ the present situation as a "lack of democracy," "10,000 horses standing mute," and "absolute silence"?

The reason for our party's vitality and our country's liveliness is that we uphold the ideological line of seeking truth from facts and think tirelessly to find the objective law for our socialist construction. Truth has no end, and neither does thinking. But as a result of thinking, we are relatively close to truth.

It is the hundreds of millions of Chinese people led by the party who push the wheel of China's history. The man who behaves as if "all are drunk and only I am sober," and who thinks that all people are "muddleheaded" and should be enlightened and awakened by him will meet with a hard blow from the stark facts. Now, some people are also talking profusely about "thinking." What do they want others to "think"? They want others to "think" how to absorb democracy and freedom wholesale from the West and "think" how to negate and discard the four cardinal principles.... In their eyes, the farther they depart from orthodoxy, the more the mind is emancipated and the bolder the thinking. It seems to them that only with this kind of thinking can China be hopeful. These people either have ulterior motives or are muddleheaded. In particular, we must be vigilant against the very small number of individuals who have ulterior motives and advocate bourgeois liberalism in an attempt to lead people to the wrong road.

Can the four cardinal principles bear examination? Of course they can. Otherwise, they would not be the truth. These principles can stand repeated examination and deliberation. They will be improved, enriched, and perfected in the course of examination and practice. There is no doubt about it.

Inexperienced young students must think carefully about beautifully dressed slogans and propositions and examine whether they are true, whether they suit China's reality, whether they are in accord with the people's wishes and interests, and whether they conform with the law of history.

For example, some people agitate for wholesale acceptance of Western absolute freedom. You, the young students, should think it over and ask whether there really is a heaven of absolute freedom in this world. Do you know that even in the United States, the home of the Statue of Liberty, that there is no such thing as absolute freedom and freedom of speech in many circumstances is not protected by the U.S. Constitution? Besides, in that country no one can talk about freedom if he has no money. If you do not know what the West actually is, you must not blindly believe its illusive slogans and mechanically copy its theories — some of which are not yet established even there — mistaking them as treasure.

As another example, some people advocate capitalism in China. You must consider whether capitalism is feasible in China, and what it will bring to the Chinese people. In the long past, many people have tried to practice capitalism in China, but without success. Do you really want to worship things that have been proven erroneous by history?

Accepting truth is necessary in thinking. Thinking does not mean being skeptical of everything. Thinking means deliberating in our minds on things in our life in order to see through the complicated phenomena and arrive at the truth. Thinking is not fantasizing.

Participation in social activities is a prerequisite to correct thinking. Go to the countryside, to the factory, to any place where production and research are undertaken, find out what ordinary workers are thinking about, what they are doing, how they see the party's policies, how they work all-out to make the country prosperous and the people better off, and you will come out of your bewilderment and arrive at the correct sense of right and wrong. All quarters of society, especially party organizatons and governments at every level, should provide the necessary means for young students to become involved in society.

Young students must carefully think about what they want to pursue and support and what they have done or intend to do. They must think before they act. They must think about what impact their actions will have on society and whether it contradicts their historical and social responsibilities. They must exercise self-discipline, try to improve themselves, and refuse to be instigated. Making detours or mistakes in the course of seeking truth and carrying out social reform is not something that worries us. What worries us is superficial thinking and following blindly. Believing readily and following blindly are a prelude to mistakes. During the "Cultural Revolution," meny young students also acted from enthusiasm at the beginning. However, incited by the careerists' beautiful slogans, they later plunged into an unprecedented turmoil, regrettably bringing disasters to themselves and other people. People who went through this disaster should explain the lesson to the young students.

Young people will become more mature in the course of thinking. Thinking is a big school without the physical environment. We believe that the vast numbers of young students will find the correct answer to social phenomena through independent thinking.

GUANGDONG SECRETARY ON DEMOCRACY, STUDENT ISSUE

HK100322 Hong Kong TA KUNG PAO in Chinese 10 Jan 87 p 1

["Special Dispatin": "Lin Ruo Discusses Student Issue"]

[Text] Shenzhen, 9 Jan -- Yesterday the Shenzhen City party committee began its work conference. The Guangdong Provincial CPC Committee Secretary Lin Ruo delivered an important speech at the meeting.

Speaking on the provincial work, Lin Ruo first pointed out: The experiences that Guangdong gained during the Sixth 5-Year Plan can be summed up well as follows: The province relaxed controls over a number of things, implemented policies in a flexible way, and achieved a higher rate of economic development. In saying relaxing controls, we mean mental emancipation, decentralization, granting state enterprises greater decisionmaking power and upholding the principle of opening up wider to the outside world. In saying the implementation of policies in a flexible way, we mean that we have relaxed controls not only over commodity circulation and prices but also over agricultural and sideline produce and manufactured goods as well. We have energetically promoted the commodity economy by means of the law of value and achieved useful experiences in this area. Lin Ruo pointed out: We must continue relaxing controls and implementing policies in a flexible way.

Referring to the question of bourgeois liberalization, Lin Ruo hoped that cadres at various levels will attach great importance to it. First, we should unfailingly carry out reform and open up to the outside world; and second, we should persist in the four basic principles. Neither should be neglected. If we only persist in the four basic principles and do not open up to the outside world and carry out reform, we will slip back into the old rut. Meanwhile, if we only open up the outside world and carry out reform and do not persist in the four basic principles, then we will follow the capitalist road. This is contrary to our effort to build socialism with Chinese characteristics. He said: Recently some bad persons instigated students to make trouble. This came as a big surprise to us. After several years of opening up and reform, the situation in the whole country is so good. However, this suddenly happened. Students are young and do not know well how to distinguish between right and wrong. Being affected by some ideological trends from abroad, they do not understand what democracy and freedom really mean. This has revealed that our political and ideological work in the ideological and cultural fields and in schools is very weak.

Lin Ruo said that extending democracy is a course which should be advanced graduall. and it is impossible to extend it overnight. While emphasizing democracy, we must stress legality. There can be no democracy without legality. So far as our country is concerned, democracy and the legal system should be gradually perfected. It will take a long time to perfect them and they cannot be done overnight.

Lin Ruo also gave his sincere advice and raised expectations on Shenzhen's work.

Attending the meeting were the city's cadres at or above the bureau level. Li Hao. mayor and secretary of the Shenzhen party committee also spoke at yesterday afternoon's session.

GUANGDONG LEADER CALLS FOR OPPOSING LIBERALIZATION

HK110557 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 10 Jan 87

[Text] Wang Ning, deputy secretary of the provincial party committee, said at the fifth enlarged plenary session of the seventh provincial CYL Committee, which concluded today, that CYL members and young people must spontaneously resist corrosion by the ideology of bourgeois liberalization and act as vanguards in building the two civilizations.

Comrade Wang Ning said: Recently a few students took to the streets to demonstrate in several cities, interferring with normal work and production order in society. The masses opposed this. Judging by recent events, no major shock occurred in the universities in Guangdong. The young students in the province displayed a high degree of political awareness and sense of social responsibility. Nevertheless, we must attach great importance to this incident and do a good job of work on young students.

Comrade Wang Ning stressed that the CYL organizations, especially in the schools, must take a clear-cut and resolute attitude in opposing and boycotting the ideology of bourgeois liberalization, and guide young students to follow the correct path for the growth of today's intellectuals. They must teach young students to integrate theory with practice and go deep into the practice of society to get to know about the whole process of reform. They must take a correct view of the problems that crop up in reform, cherish and preserve the political situation of stability and unity, and take practical action to stimulate reform and opening up.

HAINAN MEETING DISCUSSES MILITIA WORK ISSUES

HK110655 Haikou Hainan Island Service in Mandarin 1100 CMT 10 Jan 87

[Excerpts] On 8 January, the Hainan Regional CPC Committee and Hainan Military District held a meeting to analyze and sum up the situation in People's Armed Forces work since the People's Armed Forces departments were transferred to local authorities and to make arrangements for militia and reserve service work in 1987. The meeting focused on studying and resolving the questions of how to harmonize the leadership relationships and solve problems remaining since the transfer, strengthen the work of the People's Armed Forces departments, and run militia work centered on economic construction. Yao Wenxu, secretary of the regional party committee; Standing Committee member (Cao Wenhua); and Military District Commander Pang Weiqiang, Political Commissar Liu Guinan, Deputy Commander Lai Ziying, and Deputy Chief of Staff Yang Mingjiang attended.

[passage omitted]

Yao Wenxu pointed but in a speech: Following their transfer to the local authorities, the People's Armed Forces departments remain the military departments of the local party committees, the military service organs of the government, and special organs carrying out the various tasks entrusted by the military system. The local party committees and government must firmly embrace the concept of national defense, and strengthen leadership over the work of the People's Armed Forces departments. [passage omitted]

The county and city People's Armed Forces departments must suit the new situation, harmonize their relationships, and obey the leadership of the local party committees and government and also the leadership of the military system. They must also play the role of coordinating the departments concerned to make a common success of militia and military service work. [passage omitted]

Pang Weigiang called on the county and city People's Armed Forces departments to follow the principle of reducing numbers, improving quality, grasping the local points, laying the foundation well, and carrying out their work centered on economic construction. They must unswervingly carry out reforms in militia work, get a sound grasp of militia and reserve service work, and strive to achieve first-class success in People's Armed Forces work.

BENAN ARTICLE CRITICIZES LIBERATION TREND

BK120305 Zhengzhou Benan Provincial Service in Mandarin 2300 GMT 11 Jan 87

[Article by Henan Radio and Television News Center Editorial Board: "It Is Essential To Wage Resolute Struggle Against the Trend of Thought of Opposing the Four Basic Principles"]

[Excerpts] In recent years, a few people in ideological and cultural circles have used various opportunities and occasions to spread remarks negating the four basic principles and preach the trend of thought of bourgeois liberalization, in a vain attempt to weaken and remove communist party leadership and embark on the capitalist road. Misled and poisoned by this erroneous trend of thought, a few students took to the streets and caused disturbances in several towns. Zhengzhou was also involved in this. A few students from Zhengzhou University organized street demonstrations.

It does not matter that young students should behave stupidly occasionally. However, viewing the nature of the issue, this was a major incident. This incident has reminded us that the struggle against bourgeois liberalization is a big affair related to the destiny of the party, the future of socialism, and the success or failure of all-round reform and opening up. We must fully understand the extreme importance of upholding the four basic principles and opposing bourgeois liberalization. We must take a firm and clear-cut stand in plunging into this struggle.

Why do we say that this struggle is related to the party's destiny? The CPC is the strong leadership core of the people of all nationalities of the whole country. There would be no new China but for the CPC. This is the conclusion of practice. Only the CPC can build a new China. This is the reply of reality. Without upholding the correct leadership of the CPC, there could be no brilliant future for socialist modernization. History is bound to prove this point.

People who pursue bourgeois liberalization focus their attack on party leadership. They deliberately exaggerate the dark side and enlist every pretext that they can use regarding our work so as to blur the distinction between right and wrong and do everything possible to uglify our party leadership. They preach the multiparty system, separation of powers, and so on of capitalist countries and oppose the party's unified leadership. They reverse black and white and viciously smear the party's image, publicly threatening to change the party's color, in a vain attempt to throw the country into chaos. Is there anything about all this that can help our party to correct its shortcomings?

All party and CYL members and people of goodwill surely see from their brazen remarks that opposing bourgeois liberalization constitutes a major struggle related to the party's destiny.

The party's destiny is closely linked to the destiny of every citizen. How can we ignore and remain apathetic to such remarks?

We must, without the slightest ambiguity, wage resolute struggle against all words and deeds that attempt to weaken, remove, do away with, and oppose party leadership, and also take practical action to uphold party leadership, show concern for the party's cause, carry out the party's principles, and policies, and advance along the road directed by the party.

Why do we say that the struggle to oppose bourgeois liberalization is related to the future of socialism? Only socialism can save China. There is no future for China without pursuing socialism. [passage omitted] History has proved and will continue to prove that the socialist system is superior to the capitalist. However, those people shut their eyes to the facts, babbling that socialist construction has failed and Chinese-style socialism is no more than a phrase. They vigorously advocate wholesale westernization. By this they include everything in Western science, technology, culture, politics, and ideology. Is this not a brazen desire to follow the capitalist road?

We can clearly see from their remarks that the struggle against bourgeois liberalization is indeed a major issue of right and wrong related to the future of socialism. What would it mean if we were to follow their notions and throw socialism away? It could only mean throwing away the status of 1 billion people as masters of the country, and the brilliant future of New China. It could only mean dragging socialist New China back to the old road of semi-feudal and semi-colonial old China. [passage omitted]

One billion people are bound to make the correct choice when faced with the old horse of capitalism and the young colt of socialism. All people who oppose following the capitalist road are unpopular and are certain to fail.

Why do we say that the struggle against bouregois liberalization is related to the success or failure of all-round reforms and opening up to the world? Reform and opening up are the basic national strategy for building Chinese-style socialism. [passage omitted] All-round reforms and opening up to the world have brought great vitality to the socialist cause.

Contrary to the aspirations of the people of the whole country, a few people pursuing bourgeois liberalization, waving the banner of reform and opening up, clamor that they will not accept any ideological constraints and that Marxist guidance is not needed. They advocate bourgeois democracy and freedom, and prettify the capitalist system as a world of freedom and a paradise of democracy. They replace socialist democracy and legal system with abstract human rights and freedoms, and replace socialist ideology under Marxist guidance with bouregois ideology. They replace the political system of the people's democratic dictatorship with the political system of bourgeois dictatorship. They replace socialist public ownership with capitalist private ownership. The reforms they speak of mean doing away with the four basic principles. The opening up they speak of means embarking on the capitalist road.

As everyone knows, reform is a self-prefection of the socialist system, and the importation of foreign investment and advanced management experiences, including the study of various current trends of thought, form a complement to socialist construction. The four basic principles are not only the fundamental guarantee for reform and opening up, but are also themselves an extremely important component part of Chinese-style socialism. Without party leadership and the four basic principles, reform and opening up will take the wrong direction and fail.

It is evident from this that the struggle against bourgeois liberalization is indeed a major question of principle related to the success or failure of all-round reform and opening up. Pursuing bourgeois liberalization, negating the socialist system, and advocating the capitalist system run fundamentally counter to the people's interests and the tide of history. Opposing bourgeois liberalization is a long-term task. Certain individuals with ulterior motives slander opposition to bourgeois liberalization as using a club to hit people. This precisely shows that they are engaged in dirty tricks, and that their vital point is pursuit of bourgeois liberalization.

Comrade Deng Xiaoping explicitly pointed out 3 years ago that the first problem to be resolved on the ideological front at present is to correct rightist, weak, and lax tendencies. In the face of the bourgeois liberalization trend of thought that indeed exists, certain comrades turn a blind eye and a deaf ear and behave as though nothing had happened. Does this not precisely show that rightist, weak, and lax trends also indeed exist?

We should restudy Comrade Xiaoping's instructions, ring the alarm bell, and clear our heads. We will get the worst of it if we pay no attention and abet evil by tolerating it. Party and CYL members, state organ work personnel, and especially the leading cadres at all levels must boldly stand in the forefront of the struggle to defend the four basic principles and oppose bourgeois liberalization.

There is not the slightest doubt that our reforms and construction will develop still more healthily and smoothly when the interference is cleared away. The heroic people of Henan will certainly be able to offer excellent achievements as gifts to the 13th National Party Congress. Under the party's correct leadership, may we follow the socialist road and clear the way to forge ahead, filled with confidence!

HENAN RIBAO URGES OPPOSITION TO LIBERALIZATION

HK110215 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 10 Jan 87

[Report on 11 January HENAN RIBAO editorial: "Resolutely Boycott and Oppose the Trend of Thought of Bourgeois Liberalization"]

[Text] The editorial says: The resolution on the guiding principles for building socialist spiritual civilization, passed by the 6th Plenary Session of the 12th CPC Central Committee, explicitly points out that pursuing bourgeois liberalization means negating the socialist system and advocating the capitalist system. It fundamentally negates the four basic principles we uphold and changes the nature of socialism. This runs counter to the popular will and the tide of history, and is resolutely opposed by the people.

What we need to pay serious attention to is the fact that in recent years some people have taken advantage of reform and opening up and have used our media and platforms to issue all kinds of statements running counter to the four basic principles and preaching the trend of thought of bourgeois liberalization. This has become disastrously rampant in certain places and departments. These people have gone so far as to directly incite students and the masses to cause disturbances and confusion in the streets, in a vain attempt to force us to abandon the party's correct like, principles, and policies, and the four basic principles, to reach their goal of obstructing and sabotaging China's modernization and of following the capitalist road. This was precisely an important factor that led to a few students causing trouble in the streets of several cities not long ago.

The editorial points out: We need to be particularly vigilant against the fact that this trend of thought of bourgeois liberalization has already corroded our party, with the result that some party-member cadres cannot distinguish between right and wrong and have lost their way. Certain party members have even acted as leaders in pursuing bourgeois liberalization, thus seriously threatening the socialist cause of the party and people. Yet some of our comrades take no notice of these things and allow them to spread freely, thereby poisoning our young people, affecting social stability and unity, and interfering with our reforms and construction. This state of affairs cannot be allowed to continue any longer.

We must clearly understand that the current struggle against bourgeois liberalization is related to the party's destiny, the future of socialism, and the success or failure of all-round reforms and opening up. All party and CYL members and state organ work personnel, and especially the leading cadres at all levels, must take a firm and clear-cut stand and fight in the forefront of the struggle.

The editorial says in conclusion: As in the whole country, the political and economic situation in Henan is very good. The line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee are completely correct and popular with the people. So long as the party and CYL organizations take a firm and clear-cut attitude and adopt effective methods, we will certainly be able to clear away the interference, further consolidate and develop the excellent situation of stability and unity, and win new victories in the new year in reform and opening up and in building the two civilizations.

HUBEI RADIO URGES OPPOSING LIBERALIZATION

HK110549 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Jan 87

[Station commentary: "Uphold the Four Basic Principles, Oppose Bourgeois Liberalization"]

[Excerpts] Upholding the four basic principles and opposing bourgeois liberalization are extremely important for preserving and developing the excellent situation of stability and unity, persevering in reform and in opening up to the world, and promoting economic construction, structural reforms, and the building of socialist spiritual civilization. [passage omitted]

At present, there is indeed a very small number of people who are preaching the trend of thought of bourgeois liberalization and advocating that the stuff of the capitalist West be imported lock, stock, and barrel. As was pointed out in the resolution on the guiding principles for building socialist spiritual civilization, adapted by the 6th Plenary Session of the 12th CPC Central Committee, pursuing bourgeois liberalization means negating the socialist system and advocating the capitalist system. This runs fundamentally counter to the people's interests and the tide of history, and is resolutely opposed by the people. Hence, we must certainly not allow those people who reverse right and wrong, confuse black and white, and spread rumors and slanders the unbridled freedom to incite the masses. The leading comrades at all levels must take a firm and clear-cut stand in upholding the four basic principles and opposing bourgeois liberalization. Only thus can we ensure that the masses can wipe clean their eyes, distinguish between right and wrong, and see through the plots of a very small number of people with ulterior motives. And only thus can we ensure that the masses on all fronts and in all fields will effectively uphold the four basic principles, check the spread of the trend of chought of bourgeois liberalization, clear away interference, and unswervingly do a good job in economic construction, structural reforms, and all work. [passage omitted]

To effectively persevere in reform and opening up, we must uphold the four basic principles; otherwise, reform and opening up may be guided onto an erroneous road. And we must persevere in reform and opening up in order to correctly uphold the four basic principles. Whether or not people understand and handle properly the relations between these two will have a direct impact on the prosperity or failure of our cause. We must therefore certainly not indulge in metaphysics and go to extremes on this issue. We must certainly not discard the four basic principles on account of reform and opening up; nor should we abandon the principle of reform and opening up just because some people preach bourgeois liberalization. We must always remember this.

Party, CYL, and trade union organizations in urban enterprises, units, organs, schools, and neighborboods must pay particular attention to work on young workers and educated young people. Parents with children at university should take advantage of the forthcoming winter vacation to work on the students. The party and CYL members, especially those who are teachers and students, must heighten their political vigilance. They must see through the plots of a very small number of bad people who have wormed their way among the masses to incite people to make trouble and carry out sabotage, and promptly expose them.

The chief task of students today is to study hard and support reform. We hope that all university students in the province will be able to cherish the study conditions provided by the state and the people, always remember their historic responsibility, and study hard for the sake of China's take-off. [passage omitted]

HUNAN PROPAGANDA CHIEF ON OPPOSING LIBERALIZATION

HK110153 Changsha Hunan Provincial Service in Mandarin 0100 GMT 11 Jan 87

[Excerpt] The provincial organs yesterday convened a meeting to exchange experiences in studying and implementing the resolution of the 6th Plenary Session of the 12th CPC Central Committee. (Xia Fanzhong), member of the Standing Committee of the provincial party committee and director of the Propaganda Department, delivered a speech on studying and implementing the spirit of the resolution in depth and strengthening the building of spiritual civilization in the provincial organs.

He said: The provincial organs achieved initial success in studying the resolution in the previous stage. At present, they must seriously study Central Document No 1 of 1987 and the recent important articles in RENMIN RIBAO, uphold the four basic principles, persevere in reform and opening up, resolutely oppose bourgeois liberalization, and hold firm to the fundamental orientation of building socialist spiritual civilization. The building of spiritual civilization should be stepped up in light of the characteristics of the organs. It is necessary to get a thoroughly sound grasp of improving professional ethics, building democracy and the legal system, and studying Marxist theory. [passage omitted]

BEIJING STUDENTS' PARENTS URGE DISCIPLINE

OW091442 Beijing XINHUA in English 1430 GMT 9 Jan 87

[Text] Beijing, January 9 (XINHUA) -- The parents of many college students studying in Beijing have sent letters and telegrams to university authorities over the past week. demanding that their children be taught to treasure a peaceful study environment and observe school discipline.

According to an official of Qinghua University, leaders of the university, the departments, individual teachers, the youth league and the students union all received such letters and telegrams, in the wake of student demonstrations last week.

The parents include cadres, technical personnel, teachers, doctors, workers and peasants. "What they said in their letters expressed the common aspiration of people of different walks of life," said Huang Shenglun, deputy secretary of the Communist Party Committee of Qinghua University.

An official from the law department of Beijing University told a reporter that the number of letters addressed to students also increased drastically in recent days. "Every student letter box is full," he said.

Like those of other colleges, the students of Qinghua and Beijing Universities, many of whom demonstrated recently, are now concentrating on studying for exams, XINHUA learned today.

Their parents asked the teachers to "discipline the students as they do with their own children," another teacher at Beijing University said. One couple, named Fang Qing and Zhang Shurun, said in their letter that they worry about all the children, including their own. "Our child has been accepted by this established university, and we, as his parents, feel happy about that. We hope he and other children will live up to people's expectation and study in order to prepare for their future contribution to the country."

Some parents also asked the school authorities not to tell their children about their letters, for fear they would feel shy because the parents were worried about them.

Some students also distributed the telegrams among themselves, and talked with their teachers about the affair.

BEIJING RIBAO ARTICLE ADVISES YOUNG PEOPLE

OWO81229 Beijing Domestic Service in Mandarin 2230 GMT 6 Jan 87

[Text] BEIJING RIBAO has carried an article by Zhu Tanlin, director of the Beijing People's Machinery Plant, who admonishes young students that people who do not support the four cardinal principles are not welcome in his plant.

The article says: Our plant is in need of a large number of intellectuals who support the party and socialism, who are professionally trained, and who have a high sense of organizational discipline. People who practice bourgeois liberalization, however, are absolutely not welcome.

Our plant is a place for creating wealth for socialism, and how fast its workers' livelihoods are improved is directly related to the plant's contributions. Our plant is also a place where the party's various policies of reform are implemented, and how well the policies are implemented has an important bearing on the nation's four modernization. As such, all of our workers are urged to consciously defend the four cardinal principles. If young people who come to work in our plant do not understand this requirement and fail to consciously uphold the four cardinal principles, they will be out of turn with other workers because they would feel they are not free to do everything they want and certain policies would seem undemocratic to them.

Our plant's conditions for production still need improvement. Changing our backward features and speeding up economic development require a stable environment in our enterprise and our society so that we can work hard to create more wealth under the party's leadership. If we permit anarchy and bourgeois liberalization to spread unchecked in our plant, we certainly would create chaos and cause serious losses in our plant, which is in fairly good shape. This would be totally unacceptable to our workers. This is another reason why our plant does not welcome those who practice bourgeois liberalization.

The article says: Our people's machinery plant has been developing rapidly since policies for reform and opening to the outside world have been adopted. However, we still need a large number of qualified personnel to satisfy the nation's needs and to catch up with or surpass the advanced international level.

Young students! While the people trust you and are training you, they are also watching you and making selections among you. It is hoped that you will treasure the time you have, study hard to become useful persons at an early date, and do not disappoint the people.

SHANXI URGES VIGILANCE AGAINST 'HOSTILE ELEMENTS'

HK100231 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 9 Jan 87

[Station commentary: "We Cannot Relax Vigilance Against a Very Small Number of Hostile Elements -- Second Comment on Strengthening the Party's Political Leadership"]

[Summary from poor reception] "We must be no means relax vigilance and slacken the struggle against a very small number of elements who are hostile to and sabotage China's socialist system. We must clearly understand that although the exploiting classes have been eliminated in China, the class struggle will continue to exist for a long time within a certain scope. The influence of reactionary and decadent capitalist and feudalist thinking and the subversive activities of hostile elements who sneak in from abroad may form the conditions for the emergence of bad elements who seek to sabotage the socialist system. This is forcefully proven by the actions of a small number of (?reactionary) elements who have incited the students to [words indistinct] and sabotage stability and unity."

Our socialist country ensures a high degree of democracy for the people and exercises dictatorship over hostile elements who sabotage the socialist system. These two aspects are complementary. "We cannot just talk about exercising dictatorship over hostile elements without talking practical action.

We must resolutely exercise dictatorship over hostile elements who violate the Constitution, cause confusion, and sabotage socialist construction [words indistinct]. We must strengthen controls over remnant elements of the gang of four and must by no means allow them to sneak into the leadership groups."

The resolution of the 6th Plenary Session of the 12th CPC Central Committee explicitly stated that pursuing bourgeois liberalization means negating the socialist system and advocating the capitalist system, and is resolutely opposed by the people. "The party organizations at all levels and all party members must take a resolute and clear-cut attitude in opposing bourgeois liberalization. We must wage struggle against a very small number of elements with ulterior motives who preach bourgeois liberalization. We must provide education and guidance for [words indistinct] young people."

We must ensure that the people, especially young students, understand that only socialism can save China; that China can only progress under CPC leadership; and that Marxism-Leninism-Mao Zedong Thought is our sole guide.

SHANXI RADIO ACCUSES SOME OF NEGLECTING POLITICS

HK110521 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 10 Jan 87

[Station commentary: "Correctly Handle the Relationship Between Politics and Economics -- Third Comment on Strengthening the Party's Political Leadership"]

[Excerpts] We have many experiences and lessons worth summing up in respect of strengthening the party's political leadership. One of the important experiences and lessons is that we must correctly view and handle the relationship between political and economic work.

At present certain comrades are, consciously or unconsciously, neglecting politics and failing to work on people, with the serious result that political and ideological work is weak. Some comrades talk about building material and spiritual civilization together, but in fact they usually only grasp material civilization and neglect spiritual civilization. Some regard economic work as a hard task and political and ideological work as a soft task. Some are not happy in their posts in political and ideological work, and are thus not willing to work hard at it. No one is organizing ideological and political work in some units. The result is that some of the cadres and masses are ideologically confused and disunited. This state of affairs cannot be allowed to continue. [passage omitted]

Without politics, the task of economic reforms and economic work can hardly be completed, and may even embark on an erroneous road. If we fail to uphold the four basic principles and build socialist spiritual civilization, we will be going in for wholesale westernization, as advocated by a very small number of people. What hope will there be for our country then?

At present, our economic situation is good, and the political situation of stability and unity has been consolidated and developed. To cherish and develop this excellent situation, we must tangibly strengthen political leadership and step up ideological and political work. [passage omitted]

JILIN'S GAO DI ATTENDS FORUM ON CIRCULATION

SK100056 Changchun Jilin Provincial Service in Mandarin 2200 GMT 8 Jan 87

[Text] The provincial circulation work forum, which concluded on 8 January, noted that it is necessary to fully understand the importance and urgency of the reform of the circulation system, expedite it, and further promote the province's commodity economy.

The forum stressed: In enlivening circulation, the fundamental way out lies in reform, which should be centered on invigorating enterprises. This year, more effort should be put into invigorating enterprises, delegating power to lower levels, and instituting the contract system. Invigorating large and medium-sized enterprises represents the focal point of this year's economic reform. Delegating power to lower levels is the key to invigorating enterprises. We should delegate operation, price-fixing, and personnel powers to enterprises. We should grant them all the powers they are entitled to as decided by the state and the province, so that they can have responsibility, power, and profit. We should particularly solve the problem of power being withheld by intermediate links. We should further enforce the responsibility system in the operation of enterprises. Large enterprises may sign overall contracts, be allowed to dispose of all the products in excess of their quotas, or be allowed to share a certain percentage of their above-quota products.

Newly built or expanded joint enterprises and medium-sized enterprises may try out the stock system, selling stocks to their workers alone, or to both their workers and the people outside. All localities may select one or two medium-sized enterprises to experiment with this system, and apply it gradually after experiences are accumulated. Small state-owned enterprises may have their ownership changed, be taken over by others, leased or contracted out, or sold. This work should be carried out extensively throughout the province this year. The leasing system may be started from catering, service, repair, and nonstaple food trades, and be gradually extended to grocery, hardware, and (?power) trades. The contractors may be enterprises, collectives, individuals, or households. If approved, people working at administrative departments who have the ability to manage enterprises may also sign contracts with enterprises for their operation. The ownership, administrative relations, and the channels through which to turn over taxes and profits of the enterprises that are contracted out will remain unchanged. Ownership will be separated from management. We should actively enliven wholesale enterprises, develop new types of lateral economic cooperation, and encourage peasants to enter the circulation sphere in order to form new channels for the circulation of farm and sideline products.

The forum stressed: Reform of the circulation system represents a comprehensive, dynamic systems engineering, which requires not only the strengthened leadership and support of governments at various levels but also a relaxed climate created by all departments and quarters.

The forum also discussed eight opinions on reform of the circulation system, emphasizing the important significance of a thriving market, good arrangements for the people's lives, and stability of prices.

Gao Di, secretary of the provincial party committee; Gao Dezhan, provincial governor; and Gao Wen, provincial vice governor, spoke at the forum.

COMMITTEE DISCUSSES POST-1997 LAND RIGHTS

HK110354 Hong Kong SUNDAY STANDARD in English 11 Jan 87 p 4

[Text] The Special Administrative Region [SAR] of Hong Kong, to be installed here after 1997, will be allowed to use land and natural resources within its boundaries, though China as its sovereign state re-gains its ownership.

This is the unanimous view of a Basic Law Drafting Committee subgroup, which is currently in session in Guangzhou. The consensus was reached yesterday.

The group members agreed that the land and natural resources in the SAR will be at the disposal of the local government. The land may be leased out and the income generated will go to the government.

At yesterday's meeting, the members had lengthy discussions on the definition of "local inhabitants" who will have the right to run the government, and to be legislators as well as the executive heads in accordance with the provisions of the Joint Declaration.

However, no agreement was reached and further discussions are needed, a co-convenor, Shao Tianren, said.

Some suggested that the "local inhabitants" be equivalent to permanent residents regardless of their nationality, while others said the permanent residentship should be a basic criterion only.

The clause in the SAR government constitution on the local inhabitants will be spelt out in the chapter of the general principles of the law which will contain provisions unamendable for 50 years.

The members also agreed that the property rights under legal protection should cover their acquisition, use, disposal and inheritance.

A deputy secretary-general of the Drafting Committee pointed out that public consultations would be held twice before the draft becomes law.

The first draft will be finished next year. After its revision, the amended draft will be published in 1989 for public comments before being promulgated as law in 1990, Mr Lu Ping said.

MACAO

MACHADO HAD NO KNOWLEDGE OF 'SECRET PACT'

HK050218 Hong Kong SOUTH CHINA MORNING POST in English 5 Jan 87 p 3

[Excerpt] The governor of Macao, Dr Joaquim Pinto Machado, said in Lisbon that he had no knowledge of a secret accord allegedly signed between China and Portugal in 1979 on the status of the territory.

Speaking to reporters at the airport yesterday. Dr Machado said he knew nothing of the so-called "Paris Secret Pact" reportedly signed by Chinese and Portuguese negotiators in February 1979 on the status of Macao.

The two countries established diplomatic ties in the same year.

Dr Machado returned to Portugal to meet President Mario Soares and attend the State Council meeting tomorrow on Macao's future with Government leaders.

Topics expected to come up at the talks are the date of return of Macao to Chinese rule and the future nationality of locally born Macanese.

It has been reported that China wants the Portuguese enclave returned before the year 2000 but Portugal would prefer to stay on for some time after the 21st century begins. [passage omitted]

PRC Threat 'To Annex' Macao

HK091341 Hong Kong AFP in English 1333 CMT 9 Jan 87

[Text] Lisbon, Jan 9 (AFP) -- China threatened last month to annex the Portuguese-controlled territory of Macao if Lisbon did not agree to return sovereignty over the South China enclave before the year 2000, the O JORNAL weekly reported Friday.

The report said the threat was made by China's Deputy Foreign Minister, Zhou Nan, to Foreign Minister Pedro Pires de Miranda during a visit to Lisbon.

A Foreign Ministry spokesman categorically denied the report, saying "there was never an ultimatum or any threat of annexation." He added that talks on the future of Macao had taken place "in a positive climate of mutual respect."

The magazine, quoting "well-placed and highly reliable" sources, said tensions between China and Portugal later eased at a meeting in the Portuguese city of Porto between the Governor of Macao, Joaquim Pinto Machado, and Mr. Zhou, who leads the Chinese delegation in the Macao talks.

The two sides have met on the issue in Beijing three times since last June. Beijing has said on several occasions it wanted to recover sovereignty over Macao at the same time that it takes control of Hong Kong in 1997, or by 2000 at the latest.

Lisbon has reportedly put forward the date of 2007, the 450th anniversary of Portugal's presence in the territory.

Portugal's Council of State, an advisory body, met Tuesday to discuss the future of Macao, but announced no date for its return to China. It reportedly acknowledged however that the return of Macao by the year 2000 was unavoidable.

END OF FICHE DATE FILMED

13 JAN 1987